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Implementation of integrated, coherent and coordinated support to South Sudan by the United Nations system

Report of the Secretary-General

Summary

In response to a request contained in Economic and Social Council resolution 2011/43, the present report describes the achievements of and the challenges faced by the United Nations system in supporting, in an integrated, coherent and coordinated way, the Government of South Sudan during the 10 months since the independence of that new country. The report analyses the innovative mechanisms and tools used to ensure the transition from emergency relief to development and to build local capacities, in line with national priorities. It also highlights the unpredictable and changeable nature of the transition as a result of political and security considerations that, at the time of reporting, had led to major cuts in public spending and rapid change in the prioritization and sequencing of United Nations support. The report concludes with recommendations on how development actors can adjust their assistance in order to maximize, in a very difficult and unpredictable context, its potential to benefit a population that remains in dire need of both humanitarian and development support.

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I. Introduction

1. After more than five decades of nearly continuous war, and the completion of the six-year interim period that followed the signing of the Comprehensive Peace Agreement between the Government of the Sudan and the Sudan People's Liberation Movement/Army, South Sudan became an independent nation on 9 July 2011. South Sudan was admitted into the General Assembly as the 193rd State Member of the United Nations on 14 July 2011.

2. Following the admission of South Sudan to the United Nations, the Economic and Social Council, in its resolution 2011/43, requested that the Secretary-General report on how the United Nations development system was implementing integrated, coherent and coordinated support to South Sudan, consistent with national priorities while ensuring clarity of roles and responsibilities in the implementation of United Nations operational activities.

3. Acknowledging the enormous humanitarian, peacebuilding and development challenges facing the country, and reaffirming the need to strengthen the synergy between the economic and social development programmes of South Sudan and its peace and security agenda, the Council requested the Secretary-General and all relevant organs and bodies of the United Nations system, as well as the international financial institutions and development agencies, to assist South Sudan, whenever possible, through continued effective humanitarian, peacebuilding and predictable development assistance, in conformity with national priorities, including the promotion of capacity-building in order to lay a solid foundation for long-term development.

II. Context

4. South Sudan is one of the most underdeveloped countries in the world, and it is undergoing a difficult and complex transition after decades of war. During the six-year period under the Comprehensive Peace Agreement, from 2005 to 2011, impressive progress was made in establishing state structures. Within a few short years, 37 ministries, 19 commissions, 10 state governments, a national Parliament and 10 state legislatures were created. Rule-of-law institutions were established, and the first steps in transforming the Liberation Movement/Army into a professional force were taken. More than 2 million people returned to South Sudan, the majority of them from neighbouring countries. The number of children attending primary school doubled, measles was reduced from epidemic levels, and 6,000 km of roads were opened, although they have not yet upgraded to all-weather routes.

5. Despite those remarkable achievements, South Sudan represents one of the largest State-building challenges of our generation. Poverty is endemic, and prospects for diversified growth in the near term are minimal. None of the public infrastructure required for growth is in place. In the absence of an all-weather road system, close to 60 per cent of the country is inaccessible during the rainy season. There is no electricity grid and no nationwide energy system. Airports are substandard, and there is only limited civil aviation capacity. Although mobile telephone coverage is improving, connectivity is already at capacity. Many areas are insecure because they are largely inaccessible; state structures, including law

enforcement, have little if any capacity to gain access to them or intervene when conflict occurs.

6. At present, the living conditions of the South Sudanese people are among the harshest in the world. More than 80 per cent of the population lives on an equivalent of less than $1 per day, and a staggering one third lacks secure access to food. Only 40 per cent of the country's people have access to basic health care, and while some progress has been made in the area of immunization, fewer than 6 per cent of children are fully immunized. Despite the increase in primary enrolment, half of all children do not attend school and graduation rates for girls are among the lowest in the world. Eighty-five per cent of the South Sudanese population cannot read or write.

7. Conditions for women are particularly alarming. Ninety-two per cent of women are illiterate, and the maternal mortality rate, estimated at 2,053 deaths per 100,000 live births, is the highest in the world. Women constitute about 48 per cent of the population according to the 2008 census. Poverty is higher among female-headed households; 57 per cent of the population living in such households are poor, compared with 48 per cent of those living in male-headed households. There is a significant gender disparity in education, with the ratio of girls to boys in primary and secondary education the second and fifth worst globally, while the ratio of literate females to males between the ages of 15 and 24 is the second worst in the world.[1] A 15-year-old South Sudanese girl has a greater chance of dying in childbirth than of finishing school. Recent assessments also suggest that gender-based violence is widespread.

8. During its first year of statehood, South Sudan has suffered from a number of setbacks. Assessments by the World Food Programme (WFP) and the Government confirm that the number of food-insecure people in the new country has increased from 3.3 million in 2011 to 4.7 million (more than half of the population) in 2012; of these, 1 million are severely food-insecure. Disputes over border demarcation, the status of Abyei, conflict in Southern Kordofan and Blue Nile States in the Sudan, and oil revenue-sharing remain unresolved. Ongoing tensions between the Sudan and South Sudan have resulted in outbreaks of conflict along the border, placing hundreds of thousands at serious risk and restricting the free movement of people and goods. Border closures have led to spiralling prices for basic commodities and contributed to worsening food security. Until there is agreement on unresolved issues from the Comprehensive Peace Agreement period (including oil revenue arrangements, the status of Abyei, border demarcation and citizenship), conflict between the Sudan and South Sudan will remain a threat.

9. According to the 2008 census, the population of Southern Sudan was 8.26 million. The population is very young, with 72 per cent under the age of 30. This continues to pose challenges, as young returnees and former combatants have no automatic access to land, most of which is community-owned, and many young people own guns; hence, failure to integrate them into the economic mainstream could lead to their increased affiliation with armed militias that can offer a livelihood. Lack of sustained economic empowerment could also force young people to resort to cattle-rustling in the villages and crime in urban areas as means of wealth acquisition.

[1] According to the *Southern Sudan Centre for Census, Statistics and Evaluation*.

10. The capacity gap in South Sudan, the highest in Africa, is probably the single most important factor hindering the transition and is also one of the most difficult to address quickly and effectively. Every ministry, every state government and every spending agency suffers from a debilitating lack of qualified, competent staff. Nearly half of all civil servants in South Sudan have only a primary education, and fewer than 5 per cent have a higher degree. Public administration is hampered by bias in recruitment, with a candidate's military service often valued more highly than technical competency in competition for positions. The screening and reselection of public servants across all three tiers of government (the central, state and county levels), ordered by the President of South Sudan in November 2011, has not yet commenced, and various programmes supporting capacity-building, public service reform and the placement of skilled returnees in the civil administration have stalled.

11. The unpredictable and changeable nature of the context of the transition is highlighted by events that occurred early in 2012. The failure of the Governments of the Sudan and South Sudan to agree on oil revenue-sharing arrangements led to the decision of South Sudan on 20 January 2012 to shut down oil production. With oil revenues financing close to 98 per cent of public spending, the impact of the shutdown has been widespread. The Government imposed a 27 per cent cut on spending for the remainder of the fiscal year ending on 30 June 2012, and budget planning for the 2012/13 fiscal year assumes that those austerity measures will continue. Capital projects have been placed on hold and operating expenses cut by 50 per cent, affecting Government programmes across all sectors. The newly introduced South Sudanese pound is depreciating quickly, and inflation is rising precipitously. Unless steps are taken to restart production or cover budget shortfalls, further cuts will be required as reserves become depleted. If austerity persists and vulnerabilities increase, the development gains made over the past six years will be at risk and significant external assistance will likely be redirected towards emergency relief. Many of the country's main donors have already suggested that they are not prepared to fill the fiscal gap or support the development programmes asked for by Juba.

12. Prior to the shutdown, public spending was highly skewed. Salaries accounted for close to half of the annual budget, with salaries for defence and security forces making up two thirds of total salaries. Despite alarming health indicators, only 4 per cent of the Government's budget was allocated to health, far below regional levels and insufficient for the investment necessary to upgrade the health system. The new country depends on high levels of international assistance. In 2011, development partners committed $1.9 billion, representing a quarter of the total budget of South Sudan. Basic services are disproportionately funded by international partners, and non-governmental organizations, funded by donors, continue to deliver 80 per cent of basic health services.

13. As a result of decades of warfare, South Sudanese society remains highly militarized. In the 10 months since independence, violent intercommunal conflict, often fuelled by non-State armed militias, has led to significant loss of life and destroyed the livelihoods of hundreds of thousands across the new country. Tribal affiliations dominate the culturally diverse society of South Sudan. The absence of a strong national identity, combined with traditional practices such as cattle-raiding and a scarcity of resources including water, are important factors in the continuation of internal conflicts. Although the Government has embarked on a disarmament

campaign, arms are widely available throughout the country. Landmines remain a significant problem, and, in a particularly worrisome development, anti-personnel landmines have been newly laid along transport routes in Unity and Upper Nile States and parts of Jonglei State.

14. Corruption has an impact on virtually all levels of government, and accountability mechanisms, where they exist, have so far been unable to deter the misuse and mismanagement of public resources. South Sudan has impressive natural resources, in particular oil, although oil production is currently shut down, as noted above. When oil production starts again, the challenge will be to organize the Government, infrastructure and the legal system during the transition to ensure that the wealth of the country can be tapped and distributed in a way that benefits the people as a whole and addresses human development needs.

III. Planning for the transition from relief to development

15. The highest priority for the United Nations agencies, funds and programmes in South Sudan during the first critical years of statehood is to support the new country's transition in a way that simultaneously protects people from further vulnerabilities and helps the Government to lay the groundwork for successful State-building.

16. This requires a balanced approach across humanitarian action and support for development. Sequencing the shift from relief to development is difficult, however, and experiences around the world in this regard show that improvements can be made in the type and scope of the support that United Nations country teams provide to Governments in transition. In the case of South Sudan, United Nations agencies, funds and programmes have worked with partners to develop an approach that envisions a graduated shift from directly providing life-saving services to working under the leadership of and in partnership with national authorities as they develop systems and capacities.

17. Recognizing that any expectation that humanitarian relief can be downsized in the early years of the new State is unrealistic, especially given the current volatile context, the United Nations country team will be delivering humanitarian assistance at the same time as fast-tracked transformative development programmes are being scaled up across the country. By simultaneously doing both, the country team seeks to reduce vulnerability, consolidate peace dividends, avoid long-term reliance on relief and lay the foundations for sustainable development. As the transition progresses and the new State increases its capacity to manage and deliver public goods, the intention of the United Nations country team is to reduce its humanitarian assistance and eventually withdraw from providing it.

Applying lessons learned

18. In the lead-up to independence, the United Nations development agencies undertook a rigorous analysis of their prior engagement in South Sudan to ensure that their transition programming during the first years of statehood was relevant and targeted to conditions in the new country. After carefully evaluating the lessons learned, the United Nations country team agreed that:

(a) Supporting a transition as complex and difficult as that of South Sudan requires the United Nations system to focus on a limited number of simple, transformative programmes that can be scaled up;

(b) The pace and sequencing of the transition in South Sudan will depend on a number of interlocking factors, including existing State capacity, potential for economic growth and the political and security environment; by planning and designing interventions jointly, humanitarian and development agencies can effectively sequence strategies to prevent communities not only from becoming more vulnerable, but also from becoming dependent on international aid;

(c) The non-linear nature of the transition requires the United Nations system to simultaneously deliver humanitarian and development assistance to protect populations from further vulnerabilities at the same time as the Government is being helped to establish the conditions necessary for successful State-building;

(d) Mitigating risks to populations during the transition requires the United Nations system to invest in local capacities for early warning, preparedness and response and in building the resilience of communities to enable them to cope with shocks;

(e) Although separate principles and separate strategic and priority-setting processes guide humanitarian engagement and development engagement, the two processes need to be pragmatically linked in order to avoid uncoordinated, parallel planning and financing that results in competing objectives, contradictory priorities and strategic incoherence and that impedes the transition;

(f) United Nations agencies, funds and programmes cannot act alone during the transition; international actors, including the United Nations system, need to agree on a strategic framework driven by national strategies and based on harmonized needs assessment and planning, and they need to adopt flexible, rapid and predictable funding for countries emerging from crisis.

Box 1

A comprehensive approach to improving food security in South Sudan

WFP has adopted an integrated approach to its humanitarian and development efforts in South Sudan. The aim of the approach, which is aligned with the Comprehensive Framework for Action established by the High-level Task Force on the Global Food Security Crisis, led by the Secretary-General, and with the principles agreed at the World Summit on Food Security, held in Rome in November 2009, is to help communities make the transition from aid dependency to resiliency. The approach includes school-feeding programmes, nutritional support and food-for-assets initiatives that provide short-term food assistance while also supporting the creation of conditions necessary for peace, stability and economic development.

WFP is helping to strengthen food security by linking the system for procuring relief food supplies to a longer-term strategy for building Government capacity to respond to emergencies. The establishment of a strategic grain reserve will help to deal with volatile agricultural

commodity markets by allowing the Government to purchase food commodities when there is a market surplus and to distribute them during shortages. By supporting the construction of feeder roads, storage depots and warehouses, WFP will help to improve smallholders' access to markets, reducing price volatility for producers and encouraging small-scale agricultural investment. Many of these interventions are designed to specifically support women small-scale farmers. In addition, women will make up at least 30 per cent of the Government staff who will be trained to manage the grain reserve system.

To guide longer-term planning for the agricultural sector, the Food and Agriculture Organization of the United Nations (FAO) is providing technical assistance to the Government in the formulation of a comprehensive agricultural development master plan linked to a country-level paper that will guide the implementation of the Comprehensive Africa Agriculture Development Programme. The paper will cover four pillars — land and water management, market access, food supply and hunger, and agricultural research — and will identify national priorities for agricultural investment, which in turn will inform the Intergovernmental Authority on Development (IGAD) regional compact and investment plan under the Programme. The United Nations country team will also take forward the recommendations contained in *Africa Human Development Report 2012: Towards a Food Secure Future*, published on 15 May 2012.

IV. Alignment of United Nations plans with national development priorities

South Sudan Development Plan 2011-2013

19. In the lead-up to independence, the Government worked closely with development partners, including the United Nations country team, to prepare the first South Sudan Development Plan. The Plan covers the period from 9 July 2011 to 2013 and also serves as an interim poverty reduction strategy paper to guide the engagement of the international financial institutions until a full five-year strategy paper has been formulated. The Plan identifies key development objectives for the new country in four priority areas: (a) governance; (b) economic development; (c) social and human development; and (d) conflict prevention and security. Developed during a consultative process involving hundreds of Government officials and partners at all levels, the Plan sets out more than 80 development objectives, with respect to which 20 programmes have been identified as high priorities and 5 as peacebuilding priorities.

20. The South Sudan Development Plan also forms the basis of the Government's budget planning process and serves as the framework for sector aid financing strategies. In support of this, the Government and partners are starting to formulate the country's first medium-term expenditure framework, which will detail the financial contributions of the Government and partners towards the implementation of the Plan. Given the oil shutdown and related austerity measures, combined with

the fact that major donors have stated that they will divert funding towards life-saving humanitarian efforts, the implementation of many components of the Plan may be stalled.

United Nations Development Assistance Framework for South Sudan 2012-2013

21. In support of the South Sudan Development Plan, the United Nations country team has collaborated with the Government and development partners to prepare a United Nations Development Assistance Framework. Adopted in October 2011, the Framework is fully aligned with the Plan and responds to the new nation's immediate transitional priorities. A key aim of the Framework is to assist the Government in asserting greater ownership and accountability for the development process and to help authorities put in place the necessary structures that will reduce aid dependency in the longer term. Under the Framework, the country team will assist the Government in reinforcing core governance functions, building service delivery systems, improving food security, reducing community conflict and increasing access to justice in an equitable way across all 10 of the states of South Sudan.

Box 2
Key outcomes of the United Nations Development Assistance Framework

1. Core governance and civil service functions are established and operational. This outcome will directly contribute to the main objective of the governance pillar of the South Sudan Development Plan. At the request of the Government, the United Nations country team will focus on capacity development and core governance functions.

2. Chronic food insecurity is reduced, and household incomes increase. This outcome will directly contribute to the main objective of the economic development pillar of the South Sudan Development Plan. At the request of the Government, the United Nations country team will focus on fostering inclusive and pro-poor growth and reducing food insecurity.

3. Key service delivery systems are in place, laying the groundwork for increased demand. This outcome will directly contribute to the main objective of the social and human development pillar of the South Sudan Development Plan. At the request of the Government, the United Nations country team will focus on building delivery systems to expedite the transition from externally provided services and establishing social safeguards for the poorest and most vulnerable.

4. Violence is reduced, and community security improves. This outcome will directly contribute to the main objective of the conflict prevention and security pillar of the South Sudan Development Plan. At the request of the Government, the United Nations country team will focus on accelerating disarmament, demobilization and reintegration and reducing community violence.

5. Access to justice and the rule of law improves. This outcome will directly contribute to the priorities identified in the rule-of-law component of the conflict prevention and security pillar of the South Sudan Development Plan. At the request of the Government, the United Nations country team will focus on improving access to justice and strengthening the administration of criminal justice.

Support for the Government's 100-day campaign

22. On 8 August, the President of South Sudan, Salva Kiir, addressed the joint inaugural session of the National Legislative Assembly and the Council of States, and called for a campaign to achieve concrete deliverables during the first 100 days of the new Government. The 100-day campaign identified priority objectives set out in the South Sudan Development Plan in the areas of education, health care, infrastructure development, the rule of law, security sector reform, and transparency and accountability. In support of the campaign, the United Nations country team and other partners supported the Government in fully delivering or exceeding 70 per cent of those commitments. Examples of achievements accomplished during the first 100 days include:

(a) In support of education, 29 new primary schools and 4 new secondary schools were under construction during the 100-day period, with partner support for the Ministry of General Education and Instruction and the Ministry of Higher Education, Science and Technology facilitated by the United Nations Children's Fund (UNICEF) and with construction managed by the United Nations Office for Project Services;

(b) In support of improved child health, 3,241,178 children were vaccinated against polio and more than 600,000 were vaccinated against measles during the 100-day period, with partner support for the Ministry of Health facilitated by the World Health Organization (WHO);

(c) In support of maternal health, 47 new community midwives graduated and were deployed during the 100-day period, with partner support for the National Health Training Institute facilitated by the United Nations Population Fund (UNFPA);

(d) In support of the rule of law, 54 new police stations and police posts and four new prisons were opened during the 100-day period, with partner support for the Police Service and the Prison Service facilitated by the United Nations Development Programme (UNDP).

United Nations peacebuilding support plan

23. In accordance with Security Council resolution 1996 (2011), which specifically requests the Special Representative of the Secretary-General for South Sudan and the United Nations Mission in South Sudan (UNMISS) to work with the Government of South Sudan, the United Nations country team and bilateral and multilateral partners, including the World Bank, to develop a peacebuilding support plan, the United Nations country team, under the guidance of the Deputy Special Representative of the Secretary-General, has thus far played the leading role in the

preparation of an integrated strategic plan to support the consolidation of peace in South Sudan. In accordance with the principle of national ownership, the priorities set out in the peacebuilding support plan are drawn directly from the four pillars that constitute the South Sudan Development Plan, as well as from key political transition processes provided for in the Transitional Constitution of South Sudan.

24. The aim of the Organization's support plan is to assist the Government in responding to immediate peacebuilding priorities by building and strengthening its capacity to manage conflict and lay the foundations for sustainable peace. Building on the report of the Secretary-General on peacebuilding in the immediate aftermath of conflict (A/63/881-S/2009/304), the support plan will identify specific measures, set out in a results matrix, that the United Nations country team, UNMISS and key partners will take to help reduce the risk of lapsing into conflict.

25. These measures are grouped into the five peacebuilding and State-building goals internationally agreed at the Fourth High-level Forum on Aid Effectiveness, held in Busan, Republic of Korea, in November and December 2011, where the Group of Seven Plus fragile States, along with key bilateral and multilateral partners, endorsed the New Deal for Engagement in Fragile States. The goals include: (a) supporting legitimate politics by fostering inclusive political settlements and conflict resolution; (b) improving security by strengthening people's security; (c) promoting justice by addressing injustices and increasing people's access to justice; (d) laying economic foundations by generating employment and improving livelihoods; and (e) supporting basic services by building Government capacity to manage revenues and establish accountable and fair service delivery systems. The support plan outlines 42 peacebuilding activities, of which 15 have been identified as fast-tracked priorities for rapid implementation. While the objectives and needs identified in the peacebuilding plan will remain valid, the security and economic situations have forced a reassessment of the plan's implementation timelines. Objectives and needs will therefore have to be reprioritized, and implementation timelines will shift.

Strengthening Government leadership in the coordination of partner support

26. The new aid strategy of the Government of South Sudan, which is included in the South Sudan Development Plan and was finalized as a stand-alone policy in October 2011, provides guidance on aligning development assistance with Government priorities and identifies capacity-building as one of the Government's highest priorities. The strategy is aimed at reducing fragmentation, lowering transaction costs, improving coordination and encouraging partners to reduce the use of parallel projects. It endorses pooled funds and sector-based approaches, and requests that aid: (a) be aligned with overall governmental and sectoral policies and plans; (b) be managed by Government institutions and use Government systems; (c) be aligned with the Government's budget cycle and channelled through public financial management systems; (d) support institutional capacity and systems; (e) be oriented towards the achievement of outcomes; and (f) be provided coherently.

27. The United Nations country team continues to support Government efforts to strengthen aid coordination. The United Nations Resident Coordinator, UNDP and UNICEF participate in the Quarterly Government-Donor Forum, established under the aid strategy, at which strategic budget and aid coordination issues are discussed. UNDP provides extensive technical assistance to help strengthen the Government's

budget process at the national and state levels. UNDP has also supported the design and implementation of the Government's aid information management system, which is aimed at improving partner transparency and accountability and is currently being rolled out to include all development partners, including United Nations agencies, funds and programmes.

28. As part of ongoing efforts to strengthen sectoral coordination and accelerate the transition from humanitarian aid, the Government's existing budget sector working groups are being transformed into sector-wide approaches. In support of Government leadership, each working group is co-chaired by a development partner, which is responsible for helping to coordinate partner contributions to policy discussions and planning processes, including with respect to the 2012-2013 budget. UNDP is the Co-Chair of 2 out of the 10 working groups, on public administration and rule of law, and UNICEF is supporting the donor Co-Chair in a third working group, on social and humanitarian matters. On the basis of their mandates and areas of competence, United Nations agencies, funds and programmes are participating in each of the relevant working groups and are helping to develop Government-led policy as a step towards the establishment of sector-based approaches.

29. Consistent with the objectives of the aid strategy, the United Nations country team also supports the development of harmonized modalities that will permit the closer alignment of international assistance with Government systems. UNDP and the World Bank are jointly supporting the development of the Local Services Support Aid Instrument, one of two priority aid instruments outlined in the Government's aid strategy. At present, the United Nations manages three pooled funds designed to support the implementation of transitional priorities, and efforts are already under way to design a new generation of joint programmes and pooled funds to support the closer alignment of external assistance with Government policies and structures.

Box 3
South Sudan Recovery Fund

The South Sudan Recovery Fund, a pooled fund administered by UNDP, helps to bridge the gap between life-saving humanitarian interventions and longer-term development by helping the Government respond to a unique set of issues during the post-independence transition. During the Comprehensive Peace Agreement period, the South Sudan Recovery Fund was one of the only instruments that supported Government-led stabilization activities at the state level. In response to changing conditions on the ground, the Fund is being restructured to support: (a) stabilization projects identified by local communities and their leaders in selected conflict-prone counties; (b) key deliverables in the United Nations peacebuilding support plan; and (c) key components of state reintegration plans for returnees.

To help provide support for the 375,000 people who have returned to South Sudan over the past 18 months, each of the country's 10 states has formulated a comprehensive state reintegration plan, supported by the United Nations country team and based on assessments conducted in more than one third of the country's communities. Although each state government has already allocated funding for these plans from its budget,

urgent international assistance is required to ensure that returnees receive help with reintegration.

The management structure of the Fund has been created to ensure national ownership and leadership, and to facilitate local partnerships and resource mobilization at subnational levels of government. As a pooled funding instrument, the Fund helps to reduce transaction costs for the Government and recipients, and provides strategic cohesion and programmatic harmonization for engagement on transitional issues.

30. In accordance with the Government's aid strategy, and as part of ongoing efforts to lay the groundwork for eventual budget support, UNDP and other partners are helping to strengthen accountability mechanisms and increase the confidence of development partners in governmental systems. In support of the South Sudan Anti-Corruption Commission, UNDP is supporting the finalization of legislation, strengthening the prosecutorial function of the Commission and assisting the Government in analysing options for the establishment of an anti-corruption court. In addition, the United Nations country team is moving forward with a harmonized approach to cash transfers, which uses a single approach for assessing partners' fiduciary systems and, on the basis of the assessments made, developing strategies for managing risks associated with the transfer of cash to each partner, including Government spending agencies. As a practical tool for helping to manage and reduce fiduciary risk, the approach is aimed at rapidly building confidence in national systems.

Strategic prioritization in the context of emerging challenges and threats

31. Although the South Sudan Development Plan identified the key development outcomes that the Government intended to achieve during the first years of statehood, the unpredictable and changeable nature of the transition, including ongoing tensions with the Sudan and fiscal austerity resulting from the shut down of oil production, has meant that further prioritization and sequencing is necessary to address rapidly emerging challenges. The United Nations development system is helping the Government to develop a three-tiered approach to prioritizing and fast-tracking in the current context, focused on deliverables and priorities set out in the Plan that: (a) enable State take-off and development; (b) consolidate peacebuilding; and (c) accelerate State-building: .

(a) Enabling deliverables set out in the South Sudan Development Plan are being fast-tracked through the South Sudan Development Initiative 2012-2020, a joint initiative of South Sudan, the NEPAD Planning and Coordinating Agency, the Economic Commission for Africa (ECA) and UNDP, within the framework of the African Union. Launched in September 2011, the Initiative is focused on removing key obstacles to development and is mobilizing resources from regional partners for capacity and infrastructure development to facilitate economic growth and service delivery. ECA and UNDP are working closely together in providing technical and financial support for the formulation of the Initiative and the related priority action plan;

(b) Peacebuilding deliverables set out in the South Sudan Development Plan are being assessed through the United Nations South Sudan peacebuilding support plan, keeping in view the country's changing security and economic environment;

(c) State-building deliverables set out in the South Sudan Development Plan are being fast-tracked through a second generation of the core governance functions framework. Building on the first phase, which was focused on immediate priorities in the lead-up to independence,[2] the second phase will support priority deliverables in the context of severe fiscal austerity. The United Nations country team will support the Government in rapidly and realistically prioritizing measures that will help to mitigate the impact of the crisis on the most vulnerable people and preserve core State functions.

32. The New Deal for Engagement in Fragile States, which the Government of South Sudan has volunteered to pilot, calls for the development of a compact as a short-term transitional mechanism to guide the implementation of national priorities. Together with a mutual accountability framework, the three sets of priority deliverables are expected to form the basis for a compact between the Government and its partners. In support of the compact and other measures to address fragility, and in an effort to help strengthen confidence in the Government on the part of communities and partners, the United Nations country team is continuing to help the Government to improve accountability and oversight mechanisms and to formulate pro-poor, evidence-based plans.[3]

V. Support for capacity development

33. In both the South Sudan Development Plan and its aid strategy, the Government identifies capacity-building as one of its highest priorities. The Plan includes a medium-term capacity development strategy, which identifies critical institutional capacity needs required to implement the Plan and meet the essential requirements for viable statehood. The development of a capacity development protocol under the strategy, a process that is being led by the Government with support from UNDP, is aimed at improving the coordination and the effectiveness of capacity development efforts in South Sudan. Drawing on lessons learned by other countries undergoing intensive State-building and capacity-building, including Timor-Leste and Mozambique, the protocol will include guidelines on the use of technical advisers, the importance of mutual accountability between advisers and counterparts, and best practices on mentoring and capacity placement.

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[2] In the lead-up to independence, the Government and international partners focused on establishing a highly prioritized set of core governance functions. Drawing on a United States Government-supported analysis of Government functionality and studies conducted by the United Nations, the then semi-autonomous Government of Southern Sudan developed a plan for putting in place 19 core functions essential for ensuring the sustainability of Government in the South following the Comprehensive Peace Agreement period. More than $70 million in partner support was mobilized to help establish essential functions in the areas of executive leadership, the security sector, the rule of law, fiduciary management, public administration and natural resources.

[3] UNDP supports the strengthening of legislative oversight systems, the capacity-building of anti-corruption and audit functions and the strengthening of the voice of civil society, especially women's groups, in key legislative processes.

34. Concerned that the size of the country's capacity gap will have a negative impact on development for generations, the Government and the United Nations country team are developing innovative capacity enhancement approaches based on South-South cooperation that can be implemented rapidly and can be scaled up. After reviewing the record with regard to the use of early technical assistance modalities, the Government has indicated that its preferred mode for capacity-strengthening and skills transfer is South-South mentoring. The aim of these efforts, which are being facilitated by UNDP, is to simultaneously establish Government functions and build local capacities through on-the-job mentoring. Consistent with the priority actions outlined in the report of the Secretary-General on civilian capacity in the aftermath of conflict (A/66/311-S/2011/527), submitted to the General Assembly at its sixty-sixth session, and as highlighted therein, the United Nations country team is building partnerships with regional governments and organizations. Through those partnerships, public administrators and technical experts are embedded in government offices where they help to mentor South Sudanese at the national and subnational levels.

Box 4
South-South partnerships for civilian capacity enhancement

Under the rapid capacity placement initiative of UNDP, 120 United Nations volunteer specialists have been embedded in public sector offices and agencies, mostly at the state level, since the launching of the initiative in 2009. The cadre of United Nations volunteers includes economists, statisticians, revenue specialists, accountants, public sector reform specialists, human resources management specialists, organizational development specialists, urban planners, information and communications technology specialists, civil engineers, lawyers, and peace and community security specialists. While embedded, the volunteer specialists help to cover key capacity gaps, improve service delivery and roll out government systems. In a complementary initiative supported by UNFPA, more than 20 United Nations volunteer midwives from neighbouring countries are embedded in health systems in all 10 states to boost access in order to ensure skilled birth attendants and provide capacity-building and mentoring support to community midwives and traditional birth attendants.

The following is a snapshot of key results of the rapid capacity placement initiative in the area of public financial management:

Evidence-based planning and budgeting systems have been established in all 10 states	• State workplans and budgets for 2011 are completed, and 9 have been approved by state assemblies • State medium-term strategy plans are being prepared • Socioeconomic statistics are being used in planning and target-setting

Financial accountability mechanisms are being established in all 10 states	• Regular and timely (monthly, annual) state expenditure reports are being prepared in 7 states • Internal audit units have been established in 4 states
Systems for generating revenue have been established and strengthened in 5 states	• State revenue collection has increased by an average of 138 per cent in 5 states • State revenue authorities have been established and strengthened • Revenue-generation strategies have been developed
Urban planning capacities are being built in the states with the highest numbers of returnees	• State urban management plans and policies have been developed, and regulatory frameworks have been improved • 28,000 new residential plots have been surveyed and demarcated for returnees and local residents

Under the IGAD Regional Initiative for Capacity Enhancement in South Sudan, launched in January 2011, 200 experienced civil servants from three IGAD member States (Ethiopia, Kenya and Uganda) are being deployed to core ministries. IGAD civil servants are "twinned" with South Sudanese civil servants to provide direct on-the-job mentoring, training and skills transfer. UNDP provides support to the South Sudan Ministry of Labour, Public Service and Human Resource Development in the management of the initiative. In a report published in *African Security Review* in February 2012, the coaching and mentoring approach was described as a new instrument in the toolbox of State-building.

Building on the successes of the IGAD civil servant deployments, the African Solidarity Initiative of the African Union, which has commenced since independence, will deploy up to 1,000 technical experts from African Union member States in the South Sudanese public service, with a target of 75 deployments during the first year. As in the IGAD Initiative, UNDP will support the South Sudan Ministry of Labour, Public Service and Human Resource Development in the management of the African Union initiative. A strong focus will be placed on the strengthening of core governance functions, with a particular focus on the sourcing of candidates from countries that have demonstrated good practices in the strengthening of accountability and oversight institutions.

Through these three UNDP-supported initiatives, more than 250 technical staff drawn from the region have already been embedded in government ministries at the national and state levels.

35. Over the long term, addressing educational needs at all levels will also be necessary to support capacity development. United Nations partners are working to

increase access to and the quality of education at all levels and in both formal and non-formal settings. The United Nations Educational, Scientific and Cultural Organization (UNESCO) and UNICEF are already supporting the Ministry of General Education and Instruction in developing comprehensive and relevant educational materials related to literacy, life skills, psychosocial support, peace education and HIV/AIDS.

36. UNEP, FAO and UNDP are working with the Ministry of Agriculture and Forestry to define options for forest sector support. This includes land-cover mapping, governance support, first steps in the implementation of the United Nations Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation in Developing Countries, and promoting an ecosystem-based approach to natural resources management. UNEP is also working with the Ministry of Environment to streamline waste management into the delivery of urban services to a large part of the population.

Support for the establishment of national data collection and monitoring systems

37. In support of the Government's efforts to plan appropriate strategies and monitor progress against the objectives laid out in the South Sudan Development Plan, the United Nations country team continues to help to strengthen national statistical systems. UNFPA will support the Government in undertaking its first census following independence, which will provide data for measuring progress against national development objectives and the Millennium Development Goals and will serve as the basis for evidence-based policy formulation. UNDP previously provided assistance for the publication of the 2009 South Sudan national poverty report and two annual statistical yearbooks. UNDP is providing technical support to the National Bureau of Statistics to assist with the estimation of national accounts and the design of surveys, as well as with data processing and analyses. UNDP is also helping the Government to publish inflation data on a regular basis.

38. Within sectors, United Nations agencies are assisting ministries in improving systems for the estimation of key indicators linked to the benchmarking of progress against the South Sudan Development Plan and Millennium Development Goals:

(a) UNICEF, UNFPA and WHO are providing technical support to the Ministry of Health in the establishment of health and information systems, including those relating to infant, child and maternal health;

(b) UNICEF and UNESCO are supporting the Ministry of General Education and Instruction and the Ministry of Higher Education, Science and Technology in strengthening the education management information system and ensuring that data on all levels of education are collected;

(c) WFP, FAO and the South Sudan Food Security Technical Secretariat are providing training on data collection and analysis to the Ministries of Agriculture and Forestry; Animal Resources and Fisheries; Water Resources and Irrigation; Environment; Commerce, Industry and Investment; and Finance and Economic Planning, and are also training officials at the county level to conduct such analysis;

(d) UNDP is assisting the Government in developing institution-specific case management and tracking systems for the judiciary of South Sudan, the Ministry of Justice, the Police Service and the Prison Service in order to identify key bottlenecks in the criminal justice system. UNDP is also supporting the South Sudan

Police Service in collecting and disseminating national crime statistics to allow for accurate crime-mapping and more efficient and targeted interventions;

(e) As part of civil registration, UNICEF is supporting the development of a birth registration system as a key component of support for the development of child protection systems.

VI. Coordination within the United Nations system

39. Following the independence of South Sudan, a United Nations country team and a Resident Coordinator's Office in Juba were established. The United Nations country team in South Sudan comprises 22 agencies, funds and programmes. The Resident Coordinator's Office and the United Nations country team coordinate closely with government at both the central and state levels to ensure that United Nations development assistance is aligned with government priorities. The development of the "light-touch" United Nations Development Assistance Framework to guide rapid support for the implementation of the South Sudan Development Plan was the first major accomplishment of the United Nations country team and was completed four months after independence.

40. The United Nations country team's programme management team is leading the coordination and monitoring of strategic programmatic action, including a focus on joint programmes through which the United Nations development system will support the Government in delivering on its objectives and developing a common United Nations Development Assistance Framework monitoring and evaluation framework. Key joint programmes include initiatives aimed at increasing youth employment in fragile areas as well as a new United Nations joint programme of support on HIV/AIDS. The programme management team is also responsible for developing a common monitoring and evaluation framework for the implementation of the United Nations Development Assistance Framework.

41. In support of the "Delivering as one" agenda, the United Nations country team's operations management team is establishing common operational systems in key areas to streamline the coordination of programme delivery, improve efficiency and reduce transaction costs for partners. As part of efforts to improve efficiencies across the United Nations system, United Nations agencies, funds and programmes are establishing common premises with UNMISS at the field level. Likewise, ECA has channelled its financial contribution to the formulation of the South Sudan Development Initiative through the Juba office of UNDP, which will be administering the funds. The global independent evaluation of lessons learned from the "Delivering as one" initiatives is expected to provide useful recommendations to guide the further streamlining of United Nations operations in South Sudan.

42. In recognition of changing circumstances and the increasing fragility of South Sudan, the United Nations country team's programme management team and operations management team have formulated a contingency plan during the first months of 2012. The process builds on the United Nations Development Assistance Framework risk assessment and includes a reprioritization of the Framework to ensure appropriate support for the implementation of the South Sudan Development Plan in the light of the Government's reduced capacity to support planned activities and the potential political, security, economic and social impacts of the shutdown.

Coordination in support of peace consolidation

43. Wearing the additional "hat" of Deputy Special Representative of the Secretary-General, the Resident Coordinator facilitates coordination between the United Nations country team and UNMISS on the development of integrated strategic strategies for supporting peace consolidation. To ensure appropriate integration and system coherence, the United Nations country team and UNMISS participate in joint strategic and working groups, and joint workplans are being developed in areas where the Mission's mandate overlaps with the development programmes of the teams, including those relating to the rule of law and disarmament, demobilization and reintegration. To ensure system-wide efficiency and effectiveness, the joint workplans are based on comparative advantages and existing civilian capacities.

44. As part of efforts to consolidate peace throughout South Sudan, UNMISS is establishing county support bases to extend its presence in areas where conflict and instability are considered a high risk and to strengthen its support for Government efforts to consolidate peace and security in those areas. With support from UNDP for their construction, UNMISS plans to establish county support bases across the country, which will add to its established presence in each of the 10 state capitals. The bases will include a platform for use by the United Nations country team and other development partners to help deliver stabilization and peacebuilding activities. As part of efforts to ensure system-wide coherence in support of peace consolidation, many of the priority deliverables outlined in the United Nations South Sudan peacebuilding support plan are focused on counties that will host support bases.

45. The quick-impact projects of UNMISS are being designed and implemented in partnership with the United Nations country team and other partners to ensure complementary support for stabilization and development at the county level. Under the first group of quick-impact projects, the United Nations Human Settlements Programme is delivering piped water treatment and supply systems in small urban areas in four states.

Coordination with the international financial institutions

46. South Sudan joined the World Bank and the International Monetary Fund on 18 April 2012. Its membership paves the way for a new phase of technical and financial support from the international financial institutions, as the World Bank's Multi-Donor Trust Fund for Southern Sudan, established to support recovery and development programmes following the signing of the Comprehensive Peace Agreement, draws to a close. The Government has also signed a general cooperation agreement with the African Development Bank (on 24 September 2011), pending full membership.

47. Through the Inter-Donor Coordination Forum, which brings together traditional and non-traditional development partners and is co-chaired by the United Nations Resident Coordinator and the World Bank country manager, information and analysis are shared in order to establish a common understanding of emerging issues and developments. United Nations agencies, funds and programmes were major partners of the Government and the World Bank in the implementation of Multi-Donor Trust fund projects during the Comprehensive Peace Agreement period and have delivered Fund projects worth around $181 million. The United Nations development system will continue to coordinate with the international financial

institutions, including the International Monetary Fund and the African Development Bank, as they expand their development engagement in South Sudan and will accelerate efforts to identify areas of comparative advantage and potential collaboration.

VII. Challenges and recommendations

48. **Given the importance of State capacity in economic and social transformation, including policymaking and implementation, the international community should be encouraged to increase support for Government capacity-building in identifying and addressing key institutional and policy obstacles to development.**

49. **Recognizing the changing and unpredictable political, economic and security context in South Sudan, United Nations development partners should be encouraged to retain the flexibility needed to respond to new challenges as they arise. The oil shutdown and the escalation of conflict between the Governments of the Sudan and South Sudan highlight the urgent need to prioritize the efforts of the United Nations system to ensure that it is concentrating its efforts on interventions that will minimize fragility. In response to the Government's austerity measures, the United Nations development system and other partners should be encouraged to assist the Government in focusing its priorities and should consolidate resources by concentrating on a limited number of transformative programmes that are aligned with those priorities and can be scaled up. Donors are strongly encouraged to stay the course and to remain committed to strengthening strong independent institutions in South Sudan instead of moving all resources out of State-building and development and into humanitarian activities.**

50. **Recognizing that development partners risk overwhelming the new State and dissipating the impact of their engagement if they seek to do too many things at once and with too many modalities, international partners, with support from the United Nations country team, should be disciplined in sequencing and prioritizing the development of new strategies and programmes, ensuring that they are relevant and aligned with the priorities of the Government. Partners should be encouraged to coordinate even more closely on strategy design and implementation.**

51. **The United Nations country team should continue to harmonize its processes by implementing relevant aspects of the "Delivering as one" agenda. Given the scale of the challenges in South Sudan, the piloting and field testing of new policies should be weighed against the anticipated transaction costs and should generally be kept to a minimum.**

52. **Bearing in mind that UNMISS is an integrated mission designed to consolidate peace and security and to help establish conditions for development, it is essential that the good start made by the United Nations system in providing integrated support to the Government of South Sudan at the technical and operational levels be complemented by strong, integrated policy support and guidance at the intergovernmental level by the two principal bodies, the Economic and Social Council and the Security Council, within their respective mandates and competencies.**

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Strengthening of the coordination of humanitarian and disaster relief assistance of the United Nations, including special economic assistance

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Special economic, humanitarian and disaster relief assistance

Strengthening of the coordination of emergency humanitarian assistance of the United Nations

Report of the Secretary-General

Summary

The present report has been prepared pursuant to General Assembly resolution 46/182, in which the Assembly requested the Secretary-General to report annually to the Assembly and the Economic and Social Council on the coordination of emergency humanitarian assistance. The report is also submitted in response to Assembly resolutions 66/119, 64/76 and 64/75 and Economic and Social Council resolution 2011/8.

The report describes the major humanitarian trends and challenges over the past year and explores two issues that the humanitarian community must address going forward: the need to build systems to support data-driven humanitarian decision-making and the need to broaden and deepen partnerships for humanitarian response. The report provides an overview of current efforts to improve humanitarian coordination and response and ends with recommendations for further strengthening of the coordination of emergency humanitarian assistance of the United Nations.

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I. Introduction

1. The present report has been prepared pursuant to General Assembly resolution 46/182, in which the Assembly requested the Secretary-General to report annually to the Assembly and the Economic and Social Council on the coordination of emergency humanitarian assistance. It is also submitted in response to General Assembly resolutions 66/119, 64/76 and 64/75 and Economic and Social Council resolution 2011/8. The period covered by the report is from June 2011 to May 2012.

II. Background

2. The efforts of the international humanitarian community to improve humanitarian assistance are anchored in the transformative agenda of the Inter-Agency Standing Committee and the Secretary-General's five-year action agenda. The transformative agenda is a process led by the Inter-Agency Standing Committee to improve the quality of leadership, strategic planning, accountability and coordination mechanisms in humanitarian response. The Secretary-General's action agenda provides a five-year timeline for humanitarian organizations to agree and implement measures to increase their effectiveness and transparency. These commitments will increase the performance and accountability of the humanitarian community to Member States, donors and the people who suffer in crises.

3. Evidence from humanitarian response in the period covered in the present report shows that there has been progress in addressing critical challenges faced by the humanitarian community, but that there remains significant room for improvement. The report goes on to explore two issues that the humanitarian community must address going forward: (a) the need to build systems to support data-driven humanitarian decision-making and (b) the need to broaden and deepen partnerships for humanitarian response.

4. Humanitarian decision-making must be based on evidence from reliable data, to make the best use of resources. The current humanitarian system often struggles to furnish timely and consistently reliable information and analysis in order to provide an appropriate response.

5. New and diverse groups of people and organizations, enabled by new technologies and global economic growth, are becoming involved in humanitarian aid. The humanitarian community must entertain and allow for a broader network and a more diverse set of partnerships to support these new actors and ensure that they can contribute effectively to humanitarian assistance.

6. The report concludes with a brief outline of the transformative agenda and the areas in which it is anticipated that progress will be made. This is followed by a series of recommendations aimed at strengthening the coordination and effectiveness of humanitarian assistance.

III. Humanitarian action

7. An analysis of emergencies in the reporting period reveals some specific changes in the nature of crises and in the demands placed on humanitarian actors. Two major categories of concern emerge: (a) problems of access, protection and

staff security in new emergencies driven by human rights violations, political instability and armed conflict, such as in Libya and the Syrian Arab Republic, and in protracted emergencies such as those in Afghanistan and the Democratic Republic of the Congo; and (b) crises that require an integrated development and humanitarian response to build resilience and that might reflect early manifestations of climate change, e.g. the food security crises in the Sahel and the Horn of Africa and the recurrent floods in Pakistan.

A. Key facts and figures

8. The Centre for Research on the Epidemiology of Disasters recorded 302 natural disasters in 2011, which claimed an estimated 29,780 lives, affected 206 million people and caused $366 billion of economic damage — the highest on record. In 2012, it is estimated that at least 51 million people across 16 countries will need some form of humanitarian assistance.

9. This trend is mirrored by rising contributions to humanitarian funding: contributions to the Consolidated Appeals Process reached $5.6 billion in 2011, while country-based pooled funds received $441.5 million. The Central Emergency Response Fund received $465 million in pledges and contributions in 2011, compared to $428 million in 2010. In 2011, it disbursed more than 91 per cent of its funds to humanitarian partners, including 27.5 per cent in response to crises in the Horn of Africa. The breakdown of funding, particularly within the Consolidated Appeals Process, shows continued sectoral variations with food aid receiving over 76 per cent of required funds, while protection issues, shelter and non-food items remain chronically underfunded.

B. Access, protection and staff security in new and protracted emergencies

10. Crises driven by conflict, human rights violations and political instability continued to pose challenges to effective humanitarian response. Illustrative examples include the Syrian Arab Republic where, following a Government-led assessment mission, the Organization of Islamic Cooperation and the United Nations jointly concluded that at least 1 million people were in need of humanitarian assistance. As of May 2012, 50,000 Syrians had registered as refugees in Jordan, Lebanon and Turkey. Similarly, conflict in northern Mali led to the displacement of some 270,000 people and by the end of the reporting period caused 160,000 Malians to seek refuge in Burkina Faso, Mauritania and the Niger.

11. Millions of people remain affected by protracted crises. In the Democratic Republic of the Congo, more than 2 million people were internally displaced at the end of April 2012, due to ongoing conflict in North Kivu, South Kivu, Katanga and Province Orientale. Chronic malnutrition and preventable epidemics such as polio, measles and cholera affected people throughout the country. Afghanistan continued to be affected by insecurity and displacement. As of May 2012, there were 2.7 million registered Afghan refugees in addition to some 3 million undocumented Afghans in neighbouring countries and nearly 500,000 people remain internally displaced within Afghanistan. Some 1.75 million people continued to live in camps for internally displaced persons in Darfur, Sudan.

12. Access continues to be a primary challenge and seriously affected humanitarian operations, including in Afghanistan, the Central African Republic, Colombia, the Democratic Republic of the Congo, Ethiopia, Mali, Myanmar, Pakistan, Somalia, South Sudan, the Sudan, the Syrian Arab Republic, Yemen, Zimbabwe and the Occupied Palestinian Territory.

13. The Emergency Relief Coordinator is mandated by the General Assembly to facilitate access to emergency areas. This requires sustained dialogue and the support of all stakeholders. Similarly, the commitment by Member States to distinguish clearly between humanitarian action and political and/or security operations is essential to enable humanitarian access.

14. Where insecurity impeded access, protection of civilians remained a key concern in the period under review. This highlights the need for partnerships with the appropriate local actors who may have faster and better access than their international counterparts.

15. In 2011, increased levels of violence were directed at humanitarian personnel. Independent figures show that in 2011, 145 kidnappings, injuries and killings affected 297 aid workers, compared to 129 incidents affecting 245 aid workers in 2010.[1] Over 90 per cent of those attacked in 2011 were national humanitarian workers, who continue to constitute the majority of humanitarian personnel deployed in the field. During the past decade, most security incidents against humanitarian workers have occurred in Afghanistan, the Democratic Republic of the Congo, Iraq, Pakistan, Somalia, South Sudan and the Sudan.

C. Responding to natural disasters

16. The impact of climate change and the increasing numbers of natural disasters have highlighted the need for closer coordination and collaboration between development, security, political and humanitarian actors.

17. In the Horn of Africa, a prolonged drought impacted 10.4 million people, who were in need of urgent humanitarian assistance. As of May 2012, child mortality, disease and malnutrition rates still remained unacceptably high. In the Sahel region, 15 million people suffered a severe food and nutrition crisis. Niger and Mali were particularly hard hit with 5.5 million and 3.5 million vulnerable people affected respectively. A series of storms, torrential rains and floods hit Cambodia, the Lao People's Democratic Republic, Thailand and Viet Nam, causing hundreds of deaths and leaving millions of people homeless. In the Philippines, 19 tropical cyclones were reported in 2011, compared with 11 in 2010. Tropical storm Washi struck northern Mindanao in December 2011, affecting 624,600 people, causing 1,495 deaths and destroying nearly 40,000 homes. In Pakistan, torrential monsoon rains triggered severe flooding in 2011, affecting over 9.2 million people, including an estimated 5.2 million who needed humanitarian assistance. Food insecurity and malnutrition levels remain high in Pakistan, with chronic malnutrition reported among 50 per cent of children under 5.

[1] The Aid Worker Security Database records incidents of violence against aid workers. Further information on the database is available from https://www.aidworkersecurity.org/.

18. Delivering life-saving support in emergencies is essential, but it only addresses short-term needs. Humanitarian action around preparedness (stockpiling, early warning systems, evacuation planning and simulations) helps to reduce the impact of disasters. However, in order to deliver a long-term solution, more investment in building the resilience of communities through disaster risk reduction is crucial. Humanitarian actors can play a role in supporting and working with Governments, international organizations, civil society and donors on approaches and measures that reduce the risk of disasters. Without such measures, crises can become chronic and recurrent — as has happened in Somalia.

19. Individual elements of these approaches, such as disaster preparedness, livelihood support and social protection, are beginning to be more widely practised. However, building resilience requires a long-term, development-oriented process built around the sustained commitment of Governments, international organizations, civil society and donors. These stakeholders must coordinate and scale up their efforts and make resilience a strategic priority for funding in the short, medium and long term. The appointment of a Regional Humanitarian Coordinator for the Sahel, tasked with ensuring regional coherence, coordination and cooperation between humanitarian and development actors and bridging the gap between emergency response and development is a significant first step in this regard. Over the next years, humanitarian and development actors will continue to advocate for and implement resilience-based approaches.

IV. Two major challenges

A. Data-driven decision-making

20. Humanitarian action seeks to reduce the potential impact of a crisis through support for preparedness and to alleviate suffering by responding to immediate needs. In both areas, well-informed decision-making is imperative in determining the allocation of resources. Yet consistent strategic planning and prioritization, based on reliable information and analysis, remain a challenge for the humanitarian community. Multiple evaluations of the humanitarian response, for example in Haiti and Somalia, suggest fundamental problems with the gathering and use of data, including difficulty in finding reliable and updated baseline information.

21. In preparedness efforts, Governments and humanitarian organizations need to standardize data sets prior to a crisis so that, for example, the locations of key services (for example, functioning health centres or water sources) can be identified quickly. National and subnational authorities have a wealth of valuable data on the resources, infrastructures and capacities of their communities, but do not necessarily have mechanisms to enable the sharing of this information. Making this data available to partners and the public can help to drive better decision-making. For example, the Kenya Open Data Initiative (http://opendata.go.ke) enables anyone to locate health facilities, while presenting broader developmental, demographic and statistical data that could be invaluable in a crisis. The United Nations, and in particular the Office for the Coordination of Humanitarian Affairs, is ready to work with Member States to help ensure that the necessary technical infrastructure is in place and that international humanitarian systems can access the data held by Member States.

22. During a crisis, data on identified needs must reach responders and decision makers quickly so that they can use it to prepare operational plans, set targets and allocate resources based on a timely and accurate understanding of the situation.

23. In a crisis, needs change continuously. Thus, to allocate resources effectively, a feedback loop from affected communities must be available to humanitarian actors so that the necessary data and information can be verified, validated and adapted to meet changing requirements. This requires a two-way flow of information from communities to humanitarian actors and back again.

24. The United Nations and its partners seek to improve data collection and analysis by investing in the required technical infrastructure to enable data-driven decision-making. Critically, such efforts will also help to increase accountability to donors and those affected by crises.

25. The foundations for this technical infrastructure are common operational datasets and fundamental operational datasets. These standards and adherence to them by relevant actors will allow the cluster system to use information more effectively during emergency response. Standards are also being developed in order to enable more effective data interchange and interoperability and to streamline data collection. Cluster leads and other organizations must update their data collection and information management policies and train staff to adhere to these standards.

26. Sharing data between Member States, the international humanitarian community and local humanitarian workers will also improve the local and national emergency response. Smaller non-governmental organizations and civil society or community organizations often lack access to data that could help them utilize their resources more effectively. Conversely, they may also have access to data and communities that Governments would like to reach. The adoption and propagation of common humanitarian data standards will be a critical first step in facilitating this flow of information.

27. Humanitarian needs assessments are a major source of information in determining resource allocations. In 2011, the Inter-Agency Standing Committee established the multi-cluster initial/rapid assessment approach, which outlines a common process for a rapid and joint needs assessment led by the affected Government in the first two weeks of a disaster conducted under the auspices of the resident/humanitarian coordinator.

28. The Office for the Coordination of Humanitarian Affairs, on behalf of the Inter-Agency Standing Committee, has developed the humanitarian response portal, which is a single crisis-specific website that allows end users to share and visualize information contained within clusters and the international response. For the humanitarian response portal to succeed, cluster leads and members will have to adhere to the common standards described above and stay committed to sharing information. Cluster leads and the Office for the Coordination of Humanitarian Affairs also need to ensure that there is sufficient analytical capacity to effectively inform decision makers and to better help determine the necessary allocation of resources.

29. These efforts will allow for greater transparency in the humanitarian system, in line with the commitments made by the Secretary-General in his five-year action agenda. The Office for the Coordination of Humanitarian Affairs is currently discussing accession to the International Aid Transparency Initiative, which is a

global standard. Membership of the initiative would launch the process of making the financial information of the Office both open and public, in line with international best practices. Similarly, the Office is exploring whether the development of "open data" policies could strengthen information exchange with and between Member States and humanitarian partners.

B. Building partnerships for more effective delivery

30. As humanitarian needs increase across the world, a wider range and a more differentiated profile of organizations and individuals are playing a growing role in the response to them. In tandem, the humanitarian system, created by the General Assembly in its resolution 46/182, which sets out the principles and framework for humanitarian action, has evolved over time. However as new actors emerge, the current system has not adapted quickly and flexibly enough to meet the new realities. There is a need to build a more inclusive global humanitarian system, with stronger relationships at the global, regional and national levels. This system must be capable of (a) bringing together the relevant key players in humanitarian response; (b) improving the coherence of humanitarian planning to ensure a more effective response; (c) improving the coordination of needs assessments; (d) deepening the resource base; (e) building capacity across the whole system; and (f) improving accountability to those affected by crises.

31. The memorandum of understanding and three-year plan of action agreed between the Organization of Islamic Cooperation and the Office for the Coordination of Humanitarian Affairs in late 2011 demonstrates the value of partnerships at the regional level. The two organizations were able to display close coordination in the needs assessment exercise conducted in the Syrian Arab Republic and in coordination of the response to the food and nutrition crises in the Horn of Africa and the floods in the Philippines. This collaboration will be deepened through the response to the crises in the Sahel region and Yemen.

32. There are a number of similar types of effective regional partnerships. For example, the Committee on Disaster Management of the Association of Southeast Asian Nations (ASEAN) approved the joint ASEAN-United Nations strategic plan for disaster management in March 2012. The plan provides the coordinating framework for United Nations actors, including the Office for the Coordination of Humanitarian Affairs, across six areas: (a) preparedness and response; (b) risk assessment, early warning and monitoring; (c) prevention and mitigation; (d) recovery; (e) outreach and mainstreaming; and (f) training and knowledge management systems.

33. The past year also saw the establishment of an African Union humanitarian resource allocation mechanism for the drought in the Horn of Africa, linked to the financial tracking system of the Office for the Coordination of Humanitarian Affairs. The African Union has sought the support of the Office to establish a similar arrangement to mobilize and manage resources for the drought in the Sahel region.

34. Efforts are also under way to deepen partnerships with the private sector, particularly with logistics companies such as DHL. Examples with respect to deepening engagement with non-governmental organizations include the work the Office for the Coordination of Humanitarian Affairs is undertaking with Inter-Agency

Standing Committee partners to hold training events and briefings on the humanitarian system and funding architecture for national NGOs in the Gulf and Turkey.

35. Efforts to find new ways of sharing information and expertise between Member States and a wide range of humanitarian partners will continue. Member States are the primary stakeholders in both the United Nations and in regional organizations and are best placed to ensure greater coherence across these forums, thereby helping to build a more effective humanitarian system.

V. Continued transformation of the humanitarian system

A. Inter-Agency Standing Committee transformative agenda

36. The response to major humanitarian crises has been challenged over the past few years by the floods in Pakistan and the earthquake in Haiti in 2010. Building on the lessons learned from these two cases and on evaluation and analysis of the response in a number of disasters, the Principals of the Inter-Agency Standing Committee agreed on a set of recommendations that will improve the leadership, coordination and accountability of the international humanitarian response, particularly in large-scale emergencies.

37. This set of recommendations, known as the Inter-Agency Standing Committee transformative agenda, commits members to:

(a) Establish a mechanism to deploy senior humanitarian leadership with an appropriate profile from the outset of a major crisis;

(b) Rapidly deploy humanitarian staff with the appropriate profiles at all levels to ensure effective coordination of the response;

(c) Improve strategic planning at the country level, with agreed objectives;

(d) Enhance the accountability of humanitarian coordinators and members of humanitarian country teams for achieving collective results;

(e) Streamline coordination mechanisms in line with operational requirements.

38. Relevant elements of the agenda are being rolled out in Chad, Mali, the Niger, South Sudan and the Syrian Arab Republic. The Committee has approved a field level implementation plan and will continue to monitor and manage the roll-out of the plan over the next year.

B. Progress on thematic issues

Humanitarian civil-military coordination

39. The reporting period saw increased tensions around the deployment of foreign military assets to perform humanitarian functions. At the same time, many Member States are increasing investment in the capacities of their own militaries to respond to disasters. The United Nations continues to actively develop and disseminate crisis-specific operational guidance to Member States and humanitarian actors, based on the United Nations civil-military guidelines. These efforts, particularly

useful in recent crises in North Africa and the Horn of Africa, will continue and increase in response to the demand from Member States for clarity and guidance.

Gender

40. Humanitarian action is becoming more gender and age sensitive. Further progress is needed in enhancing understanding of how gender and age considerations make humanitarian action more effective and in developing the necessary skills and capacities to achieve this. The Inter-Agency Standing Committee gender marker, applied in all 16 Consolidated Appeals Processes and 50 per cent of all pooled fund projects has helped decrease gender-blind projects from 45 per cent to 11 per cent. Over half of all current Consolidated Appeals Process submissions effectively address gender equality, a dramatic increase. Noting a further positive trend, donors are making progressively greater use of the marker to make funding decisions.

VI. Mandated reporting pursuant to General Assembly resolutions 64/76 and 64/75

A. Emergency rules and procedures of the Secretariat for rapid humanitarian response (resolution 64/76)

41. Effective humanitarian response requires the timely deployment of staff and assets. It also requires streamlined financial management. The Office for the Coordination of Humanitarian Affairs continues to strengthen its recruitment, deployment and procurement processes to accommodate the emergency requirements of new and escalating crises. In 2011, the Office conducted 113 surge deployments to field offices in countries including Côte d'Ivoire, Kenya, Libya, South Sudan and the Sudan. By 2012, 75 per cent of its staff will be in the field. Existing emergency deployment mechanisms including the Emergency Response Roster, the Standby Partnerships Programme and the new Associates Surge Pool are being strengthened through the appointment of three roaming senior emergency officers and by the development of new surge guidance aimed at reducing staff turnover and ensuring the smooth transition of staff after a crisis. In order to strengthen and streamline procurement procedures, the Office has implemented a new coordinated procurement strategy to improve cost-effectiveness.

B. White Helmets (resolution 64/75)

42. The White Helmets initiative was established by the Government of Argentina in 1993 to create a pre-identified, standby and trained national volunteer corps placed at the disposal of the Secretary-General and the United Nations to support relief, rehabilitation and reconstruction activities. Between 2003 and 2008, the White Helmets initiative trained over 4,500 local and international volunteers.

43. Under the chapeau of existing agreements, White Helmet volunteers supported the management efforts of the Office of the United Nations High Commissioner for Refugees in camps on the Tunisian-Libyan border and World Health Organization primary health-care programmes in Haiti. In 2011, two White Helmet volunteers

were certified as United Nations Disaster Assessment and Coordination (UNDAC) team members and joint exercises are currently under way to enable White Helmets to provide further logistical support to UNDAC field missions. The White Helmets initiative has increased its outreach to regional organizations and has recently signed memorandums of understanding with the Ibero-American Youth Organization and the Organization of American States.

VII. Recommendations

Global commitments to humanitarian action

44. I call upon Member States, non-State actors and humanitarian organizations to continue to promote greater respect for, and adherence to, the humanitarian principles of humanity, neutrality, impartiality and independence.

45. I urge Member States to facilitate the rapid and unimpeded passage of humanitarian personnel and relief consignments to affected communities. Safe, timely and unhindered access to people in need is a prerequisite for the effective delivery of humanitarian assistance.

Humanitarian financing

46. I urge Member States to continue to provide sustained and predictable financing to support humanitarian response, working within the Consolidated Appeals Process and through the Central Emergency Response Fund. I ask all Member States to consider participating in these mechanisms in recognition of the universal character of humanitarian action.

47. I request Member States to examine their own aid instruments, taking into account recent commitments to improving aid effectiveness, to ensure that assistance remains coherent across preparedness, development and humanitarian response. I further request Member States to establish financing instruments that are sufficiently fast and flexible to meet needs during the transition from relief to recovery.

Data-driven decision-making

48. I encourage Member States and humanitarian actors to adopt policies that improve the quality of data, facilitate the open exchange of information and implement global best practices, such as those enshrined in the International Aid Transparency Initiative, in their bilateral efforts in response to crises.

49. I request Member States and the humanitarian community to work with the Office for the Coordination of Humanitarian Affairs to develop, agree and adhere to common international standards for the exchange of data to facilitate better preparedness and response to emergencies.

Partnerships

50. I urge Member States, regional organizations and humanitarian actors to actively support outreach efforts with a view to the creation of a global humanitarian community that can effectively cooperate to deliver life-saving assistance to those in need.

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Trends and progress in international development cooperation

Report of the Secretary-General

Summary

In accordance with General Assembly resolution 61/16, the present report is submitted by the Secretary-General for consideration by the Development Cooperation Forum. The report builds on discussions at high-level symposiums held in Mali in May 2011, in Luxembourg in October 2011, and in Australia in May 2012.

The main findings of the report are:

(a) Many Millennium Development Goal 8 commitments remain unfulfilled. The world economic crisis is eroding debt sustainability, trade negotiations are stalemated, and access to affordable medicines and technology is patchy. Stronger development cooperation partnerships could accelerate progress;

(b) There has been little progress on achieving coherence between development cooperation and the non-aid policies of developed countries. However, development cooperation can play a strong role in catalysing domestic financing for development by increasing tax revenue and access to affordable financial services. Deliberations at preparatory meetings and studies of the Development Cooperation Forum have identified best practices;

(c) Sustainable development implies rethinking the model and results underlying development cooperation, giving prominence to rights to development, equity, employment, sustainable resource use and fighting climate change. Global and national institutions will need to enhance their ability to spur coherent policies that are led by programme countries and fully involve non-executive stakeholders. Mutual accountability processes need to reflect this evolution. Funding needs to be

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dramatically scaled up and its delivery improved, and partnerships have to be nurtured to catalyse innovation and technology and ensure access for the poor. Best practice stories of development cooperation success need to be validated by ex ante and ex post impact analysis to show that they are supporting all three pillars (economic, social and environmental) of sustainable development;

(d) Growth in development cooperation is slowing, but it remains vital for the least developed countries and the attainment of the Millennium Development Goals. Providers continue to diversify, with rising South-South, philanthropic and decentralized cooperation. Development Assistance Committee official development assistance (ODA) is likely to stagnate over the medium term, with receding prospects of countries reaching 0.7 per cent ODA/gross national income (GNI) by 2015. More cooperation should flow via multilateral institutions;

(e) There has been some progress on allocating ODA to countries which need it most, but this must be accelerated. Aid modalities continue to be inconsistent with programme countries' wish to see increased budget support and reduced technical assistance. There needs to be more investment in infrastructure, health systems, basic education and gender equality;

(f) Development Cooperation Forum debates have emphasized the importance of a comprehensive approach to assessing the quality and results of development cooperation. Different providers assess quality differently, but programme countries and non-executive stakeholders place particular emphasis on: measuring longer-term results; assessing progress in increasing predictability; reducing conditionality, fragmentation and tying; and maintaining concessionality; all being issues on which progress is poor. Duplication of discussions and frameworks on aid quality should be avoided, for example by building more systematic linkages between post-Busan ministerial meetings and the Development Cooperation Forum, which is a universal forum;

(g) Accountability and transparency are crucial for results. United Nations surveys indicate that national strategies, targets for each provider and strong leadership are key to progress on national mutual accountability between providers and programme countries. Such mutual accountability in turn can have a major positive impact on the behaviour of programme countries and providers, and bring about sharp increases in results. Mutual accountability should allow all providers and domestic stakeholders to participate much more fully. A strong global mutual accountability framework is a prerequisite for progress at the national level, as is overcoming capacity constraints. Transparency is also vital, but must be more closely tailored to what is needed for accountability;

(h) Global political dialogue on South-South cooperation has increased since 2008. Flows are set to continue growing. Such cooperation varies widely in terms of modalities and country focus. Studies conducted by the Development Cooperation Forum indicate that South-South infrastructure support is highly cost-effective and predictable and that well-designed South-South cooperation in agriculture can boost smallholder production and food security. Triangular cooperation continues to have major advantages, especially for capacity development.

The report concludes with a number of action-oriented recommendations on the future role of development cooperation. These include measures to address the Millennium Development Goal 8 commitments, to catalyse domestic resources more

effectively, to promote sustainable development, to improve allocation, to increase quality and results, to accelerate progress on accountability and transparency, and to maximize the benefits of South-South and triangular cooperation. Finally, the report considers the possible future role of the Development Cooperation Forum in assisting progress on those initiatives.

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I. Introduction

A. Background

1. The roots of the Development Cooperation Forum lie in the 2005 World Summit, at which the Economic and Social Council was called upon to convene a biennial forum to review trends and progress in international development cooperation, to promote coherence across different development actors and to strengthen links between the normative and operational aspects of the work of the United Nations. The Development Cooperation Forum is entrusted with identifying gaps and obstacles in international development cooperation and providing practical policy recommendations to overcome them.

2. The deliberations during the first cycle of the Forum, in 2007-2008, provided strategic inputs to the Follow-up International Conference on Financing for Development and fed into the Accra High-level Forum on Aid Effectiveness. Similarly, key messages of the second cycle of the Forum, in 2009-2010, and the resulting International Development Cooperation Report on *Development Cooperation for the Millennium Development Goals: Maximizing Results* (ST/ESA/326), contributed to the outcome documents of the Millennium Development Goal Summit. It also influenced the Busan Partnership Agreement for Effective Development Cooperation. The Development Cooperation Forum has established a strong reputation as a multi-stakeholder forum that discusses independent analysis and produces recommendations to increase the results of development cooperation.

3. The third cycle of the Forum (2011-2012) has focused on six areas: (i) development cooperation for sustainable development; (ii) using development cooperation to catalyse domestic development financing; (iii) trends in quantity, allocation and quality; (iv) mutual accountability and transparency; (v) South-South and triangular cooperation; and (vi) global philanthropy and foundations. It has produced multiple analytical studies on these issues, which were discussed to generate consensus on policy recommendations at three high-level preparatory symposiums, in Mali in May 2011, in Luxembourg in October 2011, and in Australia in May 2012, and several other expert meetings (see http://www.un.org/en/ecosoc/newfunct/2012dcf.shtml).

B. Development cooperation

Development cooperation must grow and increase impact to combat huge global challenges

4. This present report comes at a time when the global economic, fuel and food crises continue to hit the world's poorest citizens the hardest. The huge financing needs for the acceleration of progress on the Millennium Development Goals are unmet. The international community is also focusing on new challenges of pursuing economically, socially and environmentally sustainable development — including equity, decent work, the right to development and combating climate change.

5. Yet, there has been relatively little progress on most aspects of Millennium Development Goal 8 (see sect. III below) or on overall policy coherence for development. There are emerging best practices in catalysing domestic financing for

development (see sect. IV). While development cooperation has a key role to play in supporting sustainable development (see sect. V), recent growth of the Development Assistance Committee (DAC) official development assistance (ODA) is slowing sharply (see sect. VI.A). There has been little progress on improving its allocation (see sect. VI.B) or quality (see sect. VII). Mutual accountability and transparency offer huge opportunities to increase impact and results (see sect. VIII), and South-South and triangular cooperation also offer many positive lessons (see sect. IX). The final section of the report summarizes key messages and recommendations, including for the future role of the Development Cooperation Forum, which have emerged from this cycle of Development Cooperation Forum work.

II. Global partnership for development

A. Implementing the Millennium Development Goal 8 commitments

Many Millennium Development Goal 8 commitments remain unfulfilled

6. At the 2010 Millennium Development Goal Summit, world leaders agreed to take urgent and decisive action to meet the Goals by 2015 and, especially, to strengthen the global partnership for development (Goal 8).

7. Since then, the Fourth United Nations Conference on the Least Developed Countries, held in May 2011, recommended new measures to elevate 50 per cent of the least developed countries out of that status by 2020. In November 2011, the Fourth High-level Forum on Aid Effectiveness, led by the Organization for Economic Cooperation and Development (OECD), launched a new partnership for effective development cooperation. UNCTAD XIII, held in April 2012, set inclusive growth and decent work, as well as the strengthening of North-South, South-South and triangular cooperation for trade and development, as essential objectives. By the time the present report is published, the Rio+20 Conference and ongoing work on the post-2015 development agenda will have re-emphasized that sustainable development must be at the centre of development strategies.

8. In spite of this global dialogue and renewal of commitments, significant gaps remain in delivering on the quantity and quality of development cooperation (see sects. VI and VII below), trade and debt relief. There has not been much progress on providing access to essential medicines, and the availability and affordability of new technologies in developing countries remains variable.

9. The slow progress is compounded by the lack of clear targets for Goal 8 compared to the other Millennium Development Goals. The United Nations system has developed an integrated implementation framework to help review progress in meeting commitments to Goal 8 and identify inconsistencies and unmet needs to support national development strategies. However, much more transparency and accountability are needed to ensure delivery of commitments to Goal 8.

B. Debt vulnerabilities in developing countries

In spite of extensive debt relief, the crisis is eroding hard-won debt sustainability

10. Debt relief under the Heavily Indebted Poor Countries (HIPC) Initiative and the Multilateral Debt Relief Initiative (MDRI) has allowed many countries to spend more on poverty reduction. Overall, for the 36 post-decision point HIPC, between 2001 and 2010, debt service fell from 13 to 4 per cent of exports, and present value of debt from 114 to 19 per cent of gross domestic product (GDP). Yet the process has been slow; seven countries have yet to receive part or all of their relief. In addition, not all creditors are providing relief, and the international community needs to pass more legislation to prevent litigation by commercial creditors.

11. Broader initiatives are also required to make debt relief faster, more comprehensive, transparent and impartial for all debt distressed developing countries. Yet the international community is moving in the opposite direction. The recent closing of the HIPC Initiative to new entrants could preclude future debt distressed countries from receiving relief. Proposals for a fair and transparent arbitration procedure have not made significant progress.

12. Important debt vulnerabilities remain. As at the end of 2011, eight low-income countries were in debt distress, and a further 15 were at high risk of debt distress. Owing partly to the lack of grants as a result of the global economic crisis, many countries are increasingly borrowing to fund development programmes. Much of the borrowing is from domestic creditors, channelled to government enterprises or private sector borrowers, or via off-budget public-private partnerships and other contingent liabilities. In some countries, such borrowing is already leading to rapid accumulation of new debt burdens. Some middle-income small island developing States are also seeing dramatic increases in their debt burdens.

13. The International Monetary Fund and the World Bank have recently reviewed the analytical framework used by the international community to assess the debt sustainability of low-income countries, and decided to monitor debt even more closely. The UNCTAD Principles on Responsible Sovereign Lending and Borrowing are also gaining some momentum. However, it is vital to turn those initiatives into clear guidance for lenders and borrowers and to accelerate efforts to build the capacity of programme countries in project design and debt management so that they can fund all three pillars of sustainable development without a renewed unsustainable debt burden.

C. Multilateral trade negotiations

Progress on trade negotiations is essential to sustainable development in least developed countries

14. Negotiations on the Doha development round of trade negotiations are in a stalemate. The call by the 2010 Millennium Development Goal Summit for all countries to exempt least developed countries from duties and quotas by 2015 remains unanswered. One fifth of exports from least developed countries continue to face high tariff barriers, especially on finished products and processed agricultural goods. In the absence of multilateral progress, regional and bilateral trading arrangements continue to proliferate (see A/66/329). Developed countries continue

to support domestic production through distortionary non-tariff measures, such as regulations, standards and testing and certification procedures.

15. Progress on trade negotiations could help all three pillars of sustainable development. The least developed countries could diversify away from primary goods, move up the value chain, reap economies of scale and reduce vulnerability to commodity price shocks. Improving market access would create jobs, mobilize revenue for social spending and contribute to inclusive growth. The resulting new skills and technology could help least developed countries leapfrog into clean, energy-efficient production. However, steps to reinforce the negotiating positions of developing countries in global production chains will be essential for those benefits to materialize.

16. To enable developing countries to benefit more fully from global trade opportunities, developed countries must address three issues. The first is reducing their protectionism so that their aid for trade can have its intended benefits. The second is the allocation of more cooperation to enhance productive capacity and diversify exports. The third is enhancing knowledge-sharing and technology transfer, especially for sustainable development.

D. Access to medicine and technology

Access to affordable medicines is very patchy, and development cooperation can help

17. There are still large gaps in the availability of medicines, as well as wide variation in prices. According to the World Health Organization, essential medicines are available in only half of public sector facilities in developing countries and at an average cost that is three times higher than international reference prices. The expansion of access to affordable medicines requires not only financial resources, but also training, quality assurance, and adequately functioning health-care systems.

18. Development cooperation could contribute in this area by: (a) promoting innovation; (b) helping countries to use the flexibility afforded by trade-related intellectual property rights agreements to produce affordable generic medicines; (c) addressing non-price barriers; and (d) strengthening the capacity of the national health-care and pharmaceutical systems.

New technologies are becoming more widespread, but require stronger partnerships

19. There has been some progress in enhancing the access of developing countries to new technologies, in particular for information and communications. Mobile cellular services and Internet access have expanded rapidly, but regional differences in access and cost persist. South-South trade and investment relationships have particularly helped to provide developing countries with technology appropriate for their level of industrialization.

20. Technologies addressing the impact of climate change and the rising incidence of natural disasters have benefited from several global initiatives and funding commitments. Increasing collaborative research and development among private, non-profit and official actors across national boundaries would enhance the development and diffusion of technology.

III. Policy coherence for development

21. Preparations of the Development Cooperation Forum have continued to include a focus on policy coherence. Coherence in terms of trade, debt and technology policies has already been discussed in section III above, and coherence (or alignment) with programme country strategies is discussed in section VI.B below.

22. Debates at the Development Cooperation Forum have previously emphasized the need for DAC donor countries to ensure that their non-aid policies support progress towards the internationally agreed development goals, and for programme countries to engage more effectively with development partners on issues that go "beyond aid". Progress in those two dimensions of policy coherence remains unimpressive in spite of the efforts of some programme countries to discuss non-aid policies more forcefully with providers.

23. The focus in the current cycle of the Development Cooperation Forum has been on coherence between development cooperation and other types of development financing — often known as the "catalytic role" of development cooperation. In particular, attention has been paid to how development cooperation can help to ensure that programme countries have more sustainable domestic development financing sources coming from mobilization of tax revenue and microfinance. Future work of the Forum will focus on best practices in catalysing external private flows, such as foreign investment and public-private partnerships.

Revenue mobilization assistance needs to go beyond technical assistance for better administration

24. Least developed countries tend to have a narrow tax base owing to the predominance of the informal sector and a lack of diversification. This may be compounded by tax exemptions, avoidance and evasion of taxes through havens and weak enforcement capacities. OECD country legislation which insists on exemptions from local taxes for investors from their countries, or payment of taxes in their OECD headquarters economies, compounds the problem. Some provider support has been directed towards strengthening tax administrations and public financial management in recent years. As of 2010, however, this accounted for less than 5 per cent of DAC ODA flows.

25. There are clear priorities for revenue-related assistance going forward. Foremost among these is funding knowledge exchanges and training among developing countries on best practices in enhancing equitable and efficient revenue collection. These are already under way through the United Nations Tax Committee, the African Tax Administrators Forum and the Inter-American Center of Tax Administrations. Second, it is vital that all technical assistance to support revenue collection efforts focuses on building national capacity to increase revenue collection rather than making local structures dependent on foreign technical assistance. Third, it is essential to ensure that revenue collection reforms are progressive, and discourage overuse of resources, so as to maximize their contributions to equity and sustainability. Fourth, it is vital that decisions on tax and spending policies include all key stakeholders and that government spending is pro-poor and demonstrates clear results for national development, thereby maximizing ownership. Finally, much more can be achieved if OECD countries

change global (and national) tax rules to enhance revenue payments in developing countries and to encourage automatic sharing of information to reduce cross-border tax evasion and capital flight.

Access to affordable financial services plays a key role in poverty eradication

26. Development cooperation can also play a catalytic role in broadening access for the 2.5 billion people worldwide that remain excluded from affordable financial services. Background work for the Development Cooperation Forum found that financial exclusion deprives people of opportunities to invest, raise or stabilize their incomes and diversify their assets. The poor are less resilient against exogenous shocks, as they are unable to diversify their assets and hedge against risks. Economic vulnerability tends to be exacerbated by a lack of saving opportunities. Access to finance is also critical for small-scale entrepreneurship, which is the core of a dynamic private sector, by supporting productive investment and job creation.

27. Microfinance has had dramatic success in lending to large numbers of poor people, but only a limited record of success in reducing poverty. Development cooperation needs to be closely focused on those mechanisms which have poverty reduction and sustainable development (rather than financial sector profit) as their primary motivation.

28. Development Cooperation Forum research and deliberations have identified clear standards for best practices in increasing financial inclusion. They underscore the need for measures to address the incidence of market failures, including adjustments in regulation and supervision of financial institutions, and the elimination of barriers to market entry. They also emphasize the need to ensure that the financial sector provides financial services to the poorest at the lowest possible cost in terms of time and money, including the use of new technology, such as mobile phones. Financial services should also be targeted at productive investment, which will lead to sustainable livelihoods for the poor. They should be made sustainable by mobilizing savings to fund future investment, should pay more attention to microinsurance and social safety nets to protect the poorest from risks and shocks, and give them more security so as to encourage savings.

IV. Sustainable development

29. Before the Development Cooperation Forum in 2012, the United Nations Conference on Sustainable Development (Rio+20) will take place from 20 to 22 June. The three pillars of sustainable development are: promoting equitable growth and reducing poverty; advancing social equity; and ensuring environmental sustainability. The Conference is expected to reaffirm political commitment to sustainable development and chart an implementation road map.

30. A number of multi-stakeholder discussions around the implications of sustainable development for development cooperation were held in preparation for the Development Cooperation Forum. The most recent was the Forum's preparatory symposium in Australia, which drew a number of lessons for effective development cooperation in support of sustainable development.

Sustainable development requires rethinking the development model and indicators

31. The first conclusion of the debates was that sustainable development requires a rethinking of the dominant development model, which has focused on promoting growth and the largely social-development-oriented Millennium Development Goals. The report by the High-level Panel on Global Sustainability concluded that the current global development model is unsustainable, and that business as usual is not an option. The Rio+20 Conference is likely to accelerate recent discussions on the content of a post-2015 global development framework to enhance that of the Millennium Development Goals.

32. The core values of the Millennium Declaration will continue to be relevant after 2015, and the Millennium Development Goals have achieved huge progress in focusing the attention of governments and citizens on development and the results of government spending and development cooperation. This is because they are simple, limited in number, transparent and easy to publicize across the world. For this reason, all stakeholder groups have seen them as transformative and have urged that they be built upon.

33. However, the post-2015 United Nations Development Agenda will need to take greater account of equitable and inclusive development and will need to be designed in a more inclusive way, especially by bringing in non-executive stakeholders. This means beginning from the right to development and, on that basis, ensuring that growth is equitably distributed rather than only targeting the reduction of extreme poverty. It means focusing on equitable access to productive assets, government services, food and water, and respect for human rights. It also means emphasizing decent employment and adaptability — especially for the young — with higher spending on the acquisition of cognitive skills in early childhood and on vocational and technical training. It means an increased analysis of the impact of urbanization. All of those elements need to be achieved while using resources in a sustainable manner and fighting climate change.

34. The new framework will also need to place much more emphasis on the growing vulnerability of the poor to the effects of natural disasters and economic shocks, especially as a result of climate change. This means establishing strong overall social protection mechanisms and specific mechanisms to increase the resilience of the poor against disasters and climate change through disaster risk reduction.

35. Reconciling the demands of equitable growth, social equity and environmental sustainability will require large-scale investment in new pro-poor green technology. It is also important that this technology and knowledge are supplied to the poorest countries and their citizens in order for them to transition rapidly to an equitable green economy. This transition needs to be pursued in the wider context of sustainable development poverty eradication strategies.

Global and national institutions and mutual accountability processes need to change

36. The architecture (institutions and processes) underlying development cooperation at the global and national levels will also need to change fundamentally. There has too often been a "siloing" of debates and plans between economic, social and environmental issues. At the global level, the United Nations and other multisector bodies (including the Economic and Social Council and the

Development Cooperation Forum) will need to plan across all three pillars simultaneously and avoid any risk of parallel monitoring frameworks or governance institutions. This will require much more collaboration across institutions, agencies and units/departments.

37. The focus on sustainable development should also provide a spur to enhancing policy coherence across the three pillars and making sure that all provider policies (whether related to development cooperation or broader issues) have a positive impact on all three. For example, trade and investment policies and flows will need to be assessed for their impact on equity, rights and sustainable livelihoods for the poor, as well as for environmental sustainability and the fight against climate change: having a positive impact in one or two areas will no longer be sufficient.

38. The most fundamental driver of change will be programme country leadership. This will require an update of national development strategies or the adoption of national sustainable development strategies, as mandated by previous summits, to ensure that they cover all three pillars and the linkages among them. It will also need stronger leadership from heads of government and much closer collaboration among institutions, which are currently often competing for development cooperation resources.

39. Non-executive actors (parliaments and civil society organizations) will also need to emerge from committee or NGO silos and work together across the three pillars. This will require more systematic efforts to include environmental, youth, women's and urban organizations in the design and implementation of national development strategies and the regular assessments of implementation progress as part of mutual accountability mechanisms.

40. For all of these institutions and processes in provider and programme countries, there will be a need for dramatically increased support for capacity-building to help policymakers and staff cover all three sets of issues simultaneously.

41. Economic and social equity, as well as environmental sustainability, need to feature more prominently in mutual accountability processes in terms of development results, development cooperation which targets those results, and will require the broadening of mutual accountability frameworks to cover "beyond aid" coherence issues which affect sustainable development prospects.

Funding, delivery mechanisms and partnerships will need to be dramatically enhanced

42. Dramatic increases in financing will be essential to promote sustainable development and combat climate change. Incremental annual investment needs for the transition to a green economy are estimated to exceed $1.1 trillion (see E/2012/7). In the absence of any major increase in DAC ODA, there will need to be much more emphasis on innovative financing mechanisms.

43. This funding will be more automatic and predictable than budget-funded development cooperation, which is subject to economic volatility. It will and should continue to be provided through official (preferably multilateral) channels. This should happen in ways which build on their best features, such as coordination, focus on results, allocations based on need and programme country leadership. Some negative features of certain global vertical funds, such as top-down decision-making, and parallel plans, systems and management structures should be avoided.

This will make efforts to increase the results and effectiveness of development cooperation even more relevant to new structures and channels which may be used to finance sustainable development.

44. To the degree that planning and budgeting needs to take place across all three pillars simultaneously, the case for multisectoral budget support will become even stronger. Where this is not possible, there is a strong risk that development cooperation will be reallocated to combat climate change or conserve natural resources and that this could lead to a reduction in flows to low-income countries and sub-Saharan Africa in favour of countries whose environmental needs and on which the impact of climate change might be greater. The Development Cooperation Forum and other forums will therefore need to pay even greater attention to future trends in allocation.

45. The scale of the challenge will also necessitate the dramatic reinforcement of partnerships among DAC providers, Southern providers, philanthropy and the private sector. They can enrich mutual contributions and learning by promoting innovation and appropriate technology. Triangular cooperation is likely to be particularly vital.

46. In this context, development cooperation is uniquely placed to catalyse other funding and innovation/technology. As with medicines and other technology, it could help to overcome intellectual property rights barriers, help investments to occur at the global and regional (rather than national) levels, and fund "demonstration" projects which can be replicated with private funds. Much more analysis of best practices will be needed to achieve those aims. However, as with other aspects of the catalytic role of development cooperation, there will need to be careful analysis and identification of best practices to ensure that cooperation is not being used to subsidize private sector investments with little impact on sustainable development.

47. A final aspect of sustainable funding is the need to reduce dependence on external flows (not just development cooperation, but highly volatile private flows) and enhance the mobilization of domestic funds. Development cooperation needs to embed exit strategies in its design, as well as strategies to cope with volatile private flows, and to promote domestic financing. This includes promoting social protection and sustainable livelihoods for the poor that allow them to contribute to growth and mobilization of revenue.

48. In terms of future Development Cooperation Forum priorities, all stakeholders have urged that the Forum continue to assess the "additionality" of this funding (especially the money allocated to combating climate change) compared with "development cooperation". However, they have also underlined that the Forum must become a key entity in which the new financing is assessed on the same basis as development cooperation, that is, for its contribution to results.

Best practice stories need to be complemented by ex ante and ex post impact analysis

49. There are multiple examples of best practices in delivering development cooperation for sustainable development across all three pillars (as opposed to programmes or projects which tackle environmental sustainability as an "add-on"). These programmes allow poorer citizens to simultaneously enhance equity, productive capacity and sustainability of resource use and combat climate change.

However, much of the current knowledge is in the form of positive "case stories" supplied by providers without independent quality control or clarity as to whether they can be replicated or scaled up.

50. To ensure that genuine best practices are being supported and exchanged among countries, it is essential to design simple methodologies for programme countries, providers and non-executive stakeholders to conduct ex ante assessment of economic, social and environmental impact for policies, programmes and projects (regardless of their funding source). These would allow all interventions to be "sustainable development-proofed". It would need to be complemented with robust ex post evaluations of the impact of positive case stories on all three pillars, as well as systematic exchange of knowledge through online compendiums and communities, to maximize the impact on sustainable development results.

V. Recent trends in international development cooperation

A. Quantity, sources and channels of development cooperation

Growth in development cooperation is slowing, but it remains vital for the least developed countries and the Millennium Development Goals

51. Development cooperation is estimated to have exceeded $170 billion in 2010, compared with $161 billion in 2008 and $127 billion in 2006. Growth in nominal terms has slowed markedly, from 27 per cent in 2006-2008 to only 6 per cent in 2008-2010.

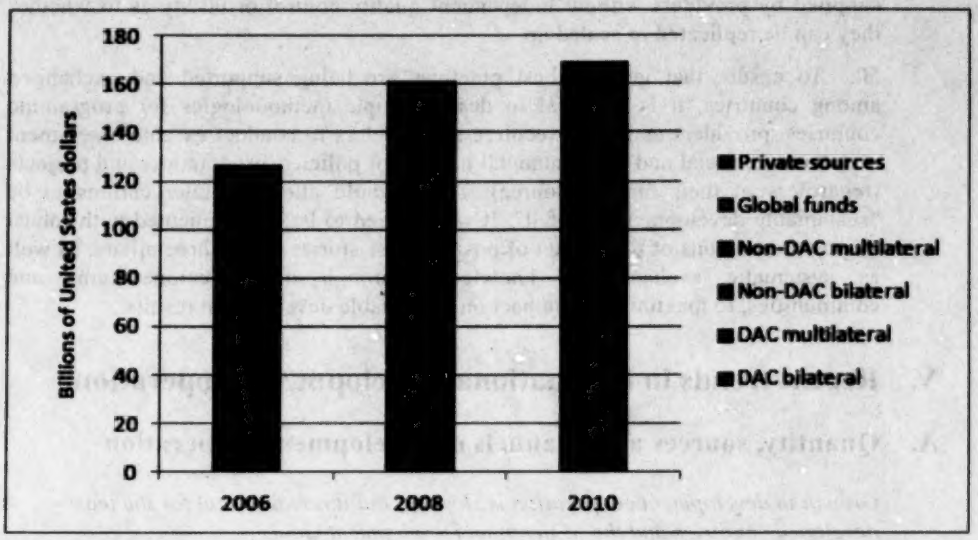
52. Over the past decade, owing to a rise in private flows (especially workers' remittances, foreign direct investment and new commercial loans), development cooperation has become much less significant as a source of global financing for development. Nevertheless, while it has fallen to less than a quarter of financial flows to developing countries overall, it continues to represent around 70 per cent of flows to low-income countries. For the least developed countries, in particular, it remains more important as a share of gross national income than remittances and foreign direct investment combined and funds almost 40 per cent of their budget expenditures.

53. In addition, development cooperation is seen by programme countries as a vital source of funding because it has a much stronger focus on issues related to sustainable development (anti-poverty and environmental) than private flows and directly funds high proportions of expenditure on education, health, food security, water and sanitation in most low-income countries. The financing gaps for the Millennium Development Goals remain massive ($110 billion-$120 billion a year, according to OECD and the United Nations) and, especially as the target date for their achievement gets closer, development cooperation remains central to fulfilling them.

Providers continue to diversify, with rising South-South cooperation, philanthropy and decentralized cooperation

54. Reliable estimates of development cooperation from sources other than OECD-DAC members are difficult to obtain. Nevertheless, as shown in the figure below the shares of South-South cooperation, and of private sources and global funds, are estimated to have risen sharply in the period from 2006 to 2010.

International development cooperation, 2006, 2008 and 2010



Source: Department of Economic and Social Affairs, based on OECD-DAC data and other sources.

55. Private philanthropic organizations[1] have become a key source of development cooperation, particularly in critical sectors such as health and education. Foundations, by operating outside official channels, can take higher risks and invest in more innovative projects. They can sometimes respond more quickly to emergencies with lower transactions costs and reduce risks of misappropriation by delivering directly to civil society organizations. However, these advantages accrue only to those which adopt best practices and have to be set against the dangers of fragmentation, weak coordination, high overhead or procurement costs and poor accountability.

56. There are, however, significant information gaps on the role, volume, scope and characteristics of private global philanthropy, owing to complex funding structures and operational settings with diverse legal and fiscal requirements. Much more analysis is needed to identify and spread best practices and increase the impact of private grants on development results. The Development Cooperation Forum will continue to play a key role in promoting such analysis and including philanthropy in the global dialogue on development cooperation.

57. Local governments and municipalities are increasingly engaged in development cooperation, spurred by urbanization and decentralization trends. This form of decentralized cooperation, because of its proximity to local communities, can increase responsiveness and accountability in fulfilling their needs. There is also increased decentralized cooperation taking place via social partners, such as labour

[1] As defined in Development Cooperation Forum preparatory research, private philanthropy means non-governmental non-profit entities providing grants or concessional loans to other organizations, institutions or individuals for the purpose of promoting economic development and welfare. It comprises foundations, funds, trusts or endowments but excludes NGOs, civil society organizations, faith-based organizations or self-financing institutions.

unions. However, data on decentralized development cooperation and evidence on its contribution towards development objectives are also limited. Further work to collect such evidence would be helpful.

DAC ODA is likely to stagnate over the medium term, with poor prospects for ODA targets

58. Throughout the past decade, programme countries relied in part on steadily increasing disbursements of DAC ODA, which grew by 63 per cent during 2000-2010 and peaked at $128.5 billion. However, in 2011, the fiscal constraints faced by several DAC donors started to impinge upon their aid budgets: 16 DAC members reduced their aid. For the first time since 1997, net ODA disbursements from OECD-DAC members fell in real terms (by 2.7 per cent) and, as a share of gross national income, from 0.33 to 0.31 per cent.

59. The timid recovery in the global economy and the prevalence of risks do not augur well for DAC ODA in the near future. The main prospects for changing this would be if DAC governments allocate revenue mobilized from innovative financing (such as financial transaction or fuel/carbon taxes) to development cooperation. Prospects for reaching the United Nations target of 0.7 per cent of ODA to gross national income (GNI) by 2015 are receding. Only five OECD-DAC countries reached or exceeded the target ratio before 2010, and the ratios worsened in four of those countries in 2011. Only four other DAC donors exceeded 0.5 per cent of GNI and, therefore, most others look unlikely to reach 0.7 by 2015.

More development cooperation should flow via multilateral institutions

60. OECD-DAC members have continued to increase the share of their aid which goes through multilateral organizations, but the share of core contributions has fluctuated between 26 and 31 per cent between 2006 and 2011. The share of core contributions to the United Nations has fallen from 33 per cent in 2007 to 30 per cent in 2010.

61. From the perspective of bilateral providers, earmarking provides greater oversight over the use and results of funds. However, from the programme country perspective, it undermines responsiveness to national priorities and increases transaction costs. For the multilateral institution, it also undermines medium-term needs-based planning and increases administrative costs.

62. Providing aid via multilateral organizations is rightly seen as reducing the politicization and commercialization of development cooperation. It is thus regarded positively in many DAC countries. South-South cooperation is also increasingly using multilateral channels, and some DAC members continue to provide more than 60 per cent of their cooperation through multilaterals. However, greater efforts are needed to increase unearmarked flows through multilateral institutions to improve effectiveness.

63. Bilateral ODA, in the form of development projects, programmes and technical cooperation, represents around 60 per cent of net ODA from OECD-DAC members. In 2011, bilateral ODA registered a 4.5 per cent decline in real terms. This hit the poorest countries hardest, as bilateral ODA to least developed countries dropped by 8.9 per cent in real terms.

B. Allocating development cooperation — countries, sectors and delivery modalities

ODA is being allocated slightly more with country needs, but more progress is urgent

64. Another important key indicator is core ODA.[2] This provides a measure that excludes humanitarian aid, debt relief and provider administrative costs. It reflects ODA flows that are available for planning and spending on national priorities. After rising sharply to 55 per cent of total ODA in 2010, core ODA is also estimated to have fallen in 2011, by 2.4 per cent, and is expected to stagnate over the next few years.

65. As a proportion of overall ODA, the share of least developed countries increased from 31 to 48 per cent between 2005 and 2010. During the same period, the share of small island developing States doubled to 8 per cent, while the proportion going to landlocked countries rose from 18 to 24 per cent. There has been a significant reallocation of ODA to the most vulnerable countries, but there remains much scope for increasing it.

66. The share of ODA to middle-income countries declined from 61 to 42 per cent: nevertheless, there is a reasonable case for providing some ODA to middle-income countries, given that they are home to three quarters of the world's population living on less than $1.25 a day and are regional engines of growth for neighbouring low-income countries.

67. An important issue is that of provider "darlings" and "orphans" in ODA allocation decisions. The question is whether flows are directed to countries that need it most or are excessively concentrated on a few programme countries. DAC indicates that in 2010, about 20 programme countries were underassisted compared with their needs and performance, almost all of which are least developed countries. However, there are also some signs that allocation of core ODA is less concentrated, with the top 10 recipients of OECD-DAC core ODA accounting for only 37 per cent of the total, down from 40 per cent in 2007-2009.

Modalities continue to be inconsistent with programme country priorities

68. Modalities such as budget support are perceived by programme countries to be the most conducive to national ownership and leadership, also because they allow parliaments and civil society to hold their governments (rather than providers) responsible for efficient and fair service delivery. At the Development Cooperation Forum preparatory symposium in Mali, it was recommended that at least 30 per cent of development assistance to least developed countries be delivered as budget support.

69. Nevertheless, the bulk of bilateral and multilateral ODA from OECD-DAC members continues to be delivered as projects. In 2010, projects accounted for 53 per cent of bilateral ODA and 61 per cent of multilateral ODA, with only 5.6 per cent of bilateral and 18.2 per cent of multilateral ODA coming in as budget support. Figures for technical assistance are thoroughly unreliable, as most DAC donors report only stand-alone technical assistance, whereas around 40 per cent of project

[2] For more background on the "core aid" concept, see http://www.oecd.org/document/38/0,3746,en_2649_3236398_46022758_1_1_1_1,00.html.

funding is also technical assistance, which pushes the real share of technical assistance to over 30 per cent. Programme countries have repeatedly stressed their wish to see the share of technical assistance fall sharply. In comparison, humanitarian aid represented 6.5 per cent of total DAC ODA in 2010.

Sectors: more needed on infrastructure, health systems, basic education and gender

70. In terms of sectors, 2009-2010 saw a continued shift away from governance towards infrastructure (energy and transport), agriculture and environmental protection. Most notably, 18 per cent of ODA disbursed to the energy sector went to renewable power generation in 2010, nearly twice as much as in 2009 and well above the non-renewable energy sector. These trends were in line with the emerging priorities of programme countries, as expressed at the 2011 United Nations Conference on the Least Developed Countries. However, there continues to be a massive deficit in infrastructure financing in almost all developing countries, requiring much more comprehensive investment in sustainable energy, transport and water.

71. The overall shares of the health and water and sanitation sectors remained broadly unchanged. Within the health sector, more was spent on basic health, but with growing focus on diseases or subsectors, such as malaria, tuberculosis and nutrition, rather than integrated support for health systems. On the other hand, ODA allocations for education fell slightly, and basic education fell as a share of overall education ODA, with student scholarships in provider countries continuing to account for an excessively large share of overall spending.

72. Around 22 per cent of DAC ODA was directed towards enhancing gender equality and women's empowerment in 2010, up from 15 per cent in 2008. This covers the ODA directly targeting those goals, as well as cases where they are secondary objectives. Performance varies widely across DAC donors: three of them devote over 60 per cent to these goals, while two devote less than 10 per cent.

73. The Development Cooperation Forum has underscored the importance of reinforcing these efforts. The Development Cooperation Forum preparatory symposium, held in June 2010 in Helsinki, led to the identification of indicators and good practices for enhancing the gender impact of development cooperation.[3] During the current cycle, the adoption of these indicators has been promoted in various forums.

VI. Promoting a comprehensive approach towards the quality of development cooperation

74. Debates at the Development Cooperation Forum have also emphasized the importance of a more comprehensive approach to assessing the quality of development cooperation, based on inputs from its multiple governmental and non-governmental stakeholders. They stressed the need for increased predictability, reduced conditionality and flexibility in responding to shocks and changing needs; and called for a sharper focus on gender and on development results.

[3] For the indicators, see *Development Cooperation for the Millennium Development Goals: Maximizing Results* (ST/ESA/326, pp. 68 and 69).

A. Need to reflect diversity

Quality may be assessed differently by different providers

75. Recent discussions on quality have been dominated by a focus on development results. This is a key dimension for all countries. However, when assessing progress, it is important to look beyond results. This includes the factoring in of different ways of evaluating quality that better reflect the views of all countries — developed and developing — and stakeholders. For example, some developing countries have pointed to the need to give greater attention to the speed of delivery of development assistance, which is not included in current aid effectiveness criteria. Similarly, many civil society organizations place a high value on participation and empowerment of beneficiaries, arguing that this is essential for the sustainability of results. It is therefore important to recognize that a comprehensive approach assessing quality of development cooperation needs to encompass a broad range of aspects and views.

76. Development cooperation must above all be needs-based, taking into account structural vulnerabilities and structural needs. National priorities should be funded in a balanced way, covering all key sectors. Globally, development cooperation should continue to be targeted towards vulnerable and marginalized countries, such as least developed countries, small island developing States and post-conflict countries. Those countries also tend to receive lower quality cooperation. Combined with their high dependency on cooperation, this has motivated the New Deal for Engagement in Fragile States. The New Deal also emphasizes that countries in different circumstances may value specific types of cooperation differently. For example, those emerging from conflict may prioritize emergency peacebuilding and State-building.

Longer term results should be factored into the discussion of quality

77. Demonstrating rapid results at minimal cost is important to generate support from taxpayers in provider countries and citizens in programme countries. At the same time, the Development Cooperation Forum symposium in Mali pointed out that focusing narrowly on short-term results and cost-effectiveness is quite risky. Results that are less quantifiable (such as empowerment, sustainability and rights) or easily attributable to a single provider could have a major impact on sustainable development. Developing a comprehensive approach that captures the imperatives of medium- and long-term results is therefore critical.[4]

78. Equally, global processes to review and analyse progress on quality of development cooperation should not duplicate one another. Efforts should be made to ensure that they complement and build on one another.

B. Key issues: predictability, conditionality, fragmentation, tying and concessionality

79. One of the key messages of the symposium in Mali was that development cooperation contributes greatly to poverty reduction, if it is allocated, delivered and

[4] See *Gearing development cooperation towards the Millennium Development Goals, Report of the Mali High-level Symposium*, May 2011.

managed effectively. Its impact is greatest when it is needs-based and delivered in a timely, transparent manner. Critical ways to increase the quality and results of development cooperation therefore include improving predictability, reducing policy conditionality, addressing proliferation and fragmentation, reducing the incidence of tying and safeguarding concessionality.

The slowdown in development cooperation is affecting its predictability

80. Development cooperation needs to be more predictable and less volatile. This would shield programme countries from costly rebudgeting of spending plans. Most providers have multi-year programming frameworks, which indicate future flows on a rolling basis. A few remain constrained by annual budgeting processes, but can make indicative forecasts. Best practices of long-term engagement need to be applied across the board.

81. The slowdown in OECD-DAC core ODA has started to filter through to predictability. In 2010, disbursements fell short of commitments by 5 per cent. This is a stark contrast to 2009, when disbursements exceeded commitments, because multilateral organizations took swift action to front-load disbursements to fight the global economic crisis.

Policy and procedural conditionalities undermine predictability

82. The symposium in Mali reaffirmed that delivering development cooperation rapidly and on schedule requires a sharp reduction in policy conditionality. Overall, providers are imposing slightly fewer conditions on programme countries and a higher proportion of conditions are based on programme countries' policy documents, but too many are still prepared by donors. Much more progress is needed to streamline conditions.

83. A closer look at remaining policy conditions shows a shift towards governance, which programme countries see as hindering their ownership (see E/2010/93). Meanwhile, the trend towards outcome- and results-based conditions[5] has accelerated. This could, in principle, provide programme countries with greater space to formulate their own policies. However, it could also lead to a whole new set of results indicators. This raises some concern that providers would micromanage programme countries through data collection and auditing exercises.

84. Speed of delivery also requires reducing other conditions related to procedures. In this area, it is time to move beyond coordinating provider missions and analytical work. The next step would be to align all missions and analysis with government-led sector or programme reviews. Providers would also rely more on country monitoring and evaluation systems, as well as those for planning, budgeting, financial management and procurement.

Provider proliferation and fragmentation reduce the impact of development cooperation

85. Proliferation refers to an increase in the number of providers to a specific programme country. Recent estimates suggest that there are now 126 bilateral OECD-DAC agencies, 23 non-DAC providers and 263 multilateral aid agencies of

[5] These conditionalities reflect the evolution from traditional ex ante conditionality, which favours prior agreement on policies and policy reform, to ex post conditionality, which puts the emphasis on actual completed measures and/or outcomes.

varying sizes. Virtually all low-income countries have seen an increase in the number of providers in recent years. Proliferation increases transactions costs (including on coordination) and raises the possibility of conflict over development priorities and conditionalities. It may also undermine capacity when civil servants act as counterparts for provider staff, or when limited resources are diverted to hiring technical assistance or establishing management units to run projects.

86. A related issue is that of fragmentation. Since 2007, the average value of DAC ODA per project has registered a sharp decline. In parallel, the number of projects has steadily increased, leading to considerable transactions costs. The potential for major new channels of funding for climate change and sustainable development, with more fragmentation to tackle these additional objectives, renders these challenges even more pressing.

87. Efforts to address proliferation and fragmentation through initiatives such as "division of labour" among donors have not moved fast enough and have yet to translate into observable changes in allocation or disbursement. In future, programme countries should be in a position to assess comparative advantage among providers and guide division of labour accordingly. However, fragmentation seems to be worst in low-income countries and least developed countries where capacities to assess comparative advantage and negotiate division of labour are weakest.

Tying of development cooperation continues to reduce cost-effectiveness

88. There are still widespread concerns about tying of development cooperation to purchases of goods and services in provider countries. This is estimated to increase costs by between 25 and 60 per cent, sharply reducing results. Yet, in the five years prior to 2010, the proportion of untied DAC ODA declined from 91 to 83 per cent, and global efforts to reduce tying are limited to least developed countries and HIPCs, and do not apply to technical or emergency assistance. While South-South cooperation also can be tied, it is often considerably cheaper and better value than tied DAC ODA.

Lower concessionality could erode progress in debt sustainability

89. The concessionality of development assistance is another important element, to help avert the accumulation of new debt burdens and enhance long-term fiscal space for Millennium Development Goal spending. There is scope in some low-debt countries for increased borrowing, even on less concessional terms for high-return projects, but this needs to be carefully analysed and used.

90. Since 2005, the share of bilateral DAC ODA provided in the form of grants has fallen from 89 to 85 per cent. Five DAC providers have changed their policies to restart loans to low-income countries. This trend has been somewhat offset by a rise in multilateral grants from 61 to 67 per cent. Most DAC ODA loans to low-income countries are on very concessional terms and so do not risk increasing debt burdens, but there has been a trend to provide to developing countries, especially middle-income countries, in the form of export credits.

Institutional governance arrangements should evolve in line with the changing landscape

91. Future global institutional arrangements to govern development cooperation are being discussed at the United Nations and as part of the development effectiveness process. The Development Cooperation Forum has a critical role in reviewing, promoting and guiding development cooperation as well as its coherence and effectiveness. Substantive and organizational linkages should be built with the other processes, ensuring close collaboration among multilateral organizations. The discussions on aid quality should occur in inclusive forums, such as the Development Cooperation Forum. This would allow emphasis on a broader set of quality issues considered vital by developing countries and other stakeholders and ensure that all stakeholder groups are regularly consulted on progress. In this regard, there is a need to build synergies among various forums but with due regard to their respective mandates and functions.

92. All processes need to respond to the changing development landscape. The special features of various forms of development cooperation have to be recognized. South-South cooperation, as well as cooperation by the private sector, civil society organizations, foundations, decentralized government entities and social partners, all have different characteristics compared with North-South cooperation. Platforms and support should be provided to those diverse providers who wish to develop their own frameworks for assessing the characteristics, quality and results of their cooperation. It is also important to foster an environment in which actors can exchange lessons learned and good practices, promote innovative solutions and identify new partnerships. The Development Cooperation Forum is well suited to make this happen.

VII. Partnerships based on mutual accountability and transparency

Accountability and transparent delivery of development cooperation are crucial for results

93. Greater accountability and transparency can improve the quality of development cooperation, making financial resources more adequate, predictable and targeted. The importance of mutual accountability was recognized by member States at the 2010 Millennium Development Goal summit. Efforts to strengthen accountability should also be linked to the Millennium Development Goals Integrated Implementation Framework, adopted by the United Nations System Chief Executives Board for Coordination as a key accountability instrument.

A. Mutual accountability

94. Mutual accountability refers to accountability between programme country governments, providers and other stakeholders (including civil society and parliament). The stronger mutual accountability is at the global, regional, national and sectoral levels, the greater the likelihood that development cooperation providers and programme countries will change their behaviour to maximize results for development.

National strategy, targets for each provider and strong leadership are key

95. The Department of Economic and Social Affairs/UNDP conducted broad-based surveys of 105 countries in 2010 and 2011. The findings underscore the importance of political leadership and vision for ensuring mutual accountability. They highlight the need to invest in capacity-building, orienting development cooperation towards results. The survey revealed the need for top-level commitment of providers to global and national mutual accountability. This is key to promote changes in headquarters policies and ensure that decentralization fosters an adaptation to national priorities.

96. Development Cooperation Forum analysis shows that, to be effective, national mutual accountability mechanisms must include three elements. The first is an agreed national development cooperation policy or strategy document. The second are specific performance targets for the government and individual providers. These must be aligned with national development priorities. The third is strong programme country government leadership, in particular through high-level policy dialogues to review progress on an annual basis

97. Strong national-level mutual accountability has been clearly shown to have a major positive impact on programme country and provider behaviour. It has improved the quality of national development strategies, results frameworks and public financial management systems, and the degree to which providers align their cooperation with national strategies and systems. As a result, it has increased the results of development cooperation (and other programme country spending) by reducing transaction and administration costs, duplication and project proliferation, and increasing predictability.

98. These key pillars of national mutual accountability are rarely in place. Progress is disappointingly slow. A maximum of 26 countries have made some progress on national-level mutual accountability, and 20 currently have initiatives under way to improve the quality of their mutual accountability. However, only three countries have aid policies with individual provider targets which are monitored regularly. The international community should prioritize supporting recipient efforts to develop strategies, add individual provider targets to existing strategies, and conduct annual independent or programme country-led analysis of provider performance against targets.

Mutual accountability frameworks should include diverse providers and stakeholders

99. Moving forward, it is vital that national mutual accountability frameworks allow for the inclusion of non-OECD providers, civil society organizations, decentralized providers and other actors. This is essential to cover all types of development cooperation (e.g., climate change finance) to maximize results more broadly. This will in some cases require different frameworks and indicators, tailored to reflect the specific characteristics of different flows.

100. Some countries have also begun to broaden accountability frameworks to cover "partnership policies". These policies cover issues such as trade, debt relief, agriculture, technology and other development-related policies. This can facilitate progress on wider issues and reduce dependence on aid over the medium term. However, the countries face provider reluctance to discuss these issues in national

mutual accountability processes. This is owing mainly to a lack of coherence among provider ministries.

101. Domestic stakeholders must be able to hold their own governments to account, both in provider or programme countries. Yet, only 10 programme countries (and relatively few providers) have registered any important progress in this area. Full participation of non-executive stakeholders is integral to successful mutual accountability. Parliaments, local governments, civil society, women's organizations, trade unions and the private sector should have a strong role. They need to be involved in producing analytical inputs which are discussed in mutual accountability meetings. They should also determine the agenda for discussions by participating in executive committees and sector/technical working groups.

A strong global mutual accountability framework is a prerequisite for national-level progress

102. Monitoring must be tailored to national priorities and circumstances. However, there is very strong evidence from programme countries and civil society that progress at the national level is highly dependent on a strong global framework, which changes incentives for provider policymakers. Hence, global and national processes must work closely together.

103. Global and regional initiatives can also play a supportive role in provoking debate among providers, as well as encouraging experience sharing and capacity-building for programme countries and other stakeholders. It is therefore important that various global processes aiming to foster dialogue and knowledge-sharing should work together and complement each other, and the Development Cooperation Forum has a key role to play in this respect.

Capacity constraints are a major barrier to effective mutual accountability

104. Capacity constraints are an issue for providers and programme government agencies, but especially for non-executive stakeholders. For an effective analysis of provider performance and development results, analytical capacity and data compilation need to be strengthened. This is particularly true in countries in sub-Saharan Africa and in post-conflict or vulnerable countries. The international community should devote more efforts to this issue, supporting global, regional and national non-executive stakeholder bodies. Best practices lessons and South-South exchanges can provide key signposts for the next steps. Improvements could be guided by an online repository of information and a community of practice which exchanges information on lessons learned.

B. Transparency

Transparency is vital to accountability — but the links being made between the two are weak

105. Comprehensive compilation and timely dissemination of data on development cooperation helps to maximize results. By increasing the ease and effectiveness with which governments can manage development cooperation, data can improve accountability. The International Aid Transparency Initiative is one helpful global process: its 29 signatories account for 80 per cent of OECD-DAC ODA. However, it

is vital that its data are "real-time" and forward looking for three to five years to assist national planning. It would also be helpful to distinguish carefully between on- and off-budget cooperation and ensure that on-budget cooperation is classified similarly to programme country budgets.

106. Global data also need to be more closely linked to national aid information management systems, and thereby to planning and budgeting systems. In particular, efforts should be enhanced at the global and national levels to broaden coverage of data to non-OECD, civil society organization and other providers, many of which already report flows in programme countries.

Future action must focus on translating transparency into accountability

107. Transparency should also focus on the data and documents which stakeholders need to hold others accountable. This means on quantity and composition of flows, as well as their effectiveness in producing development results. Ideally this would require tracking post-Busan indicators and frameworks adopted by other providers via global and national databases so that progress can be monitored automatically. This would reduce the need for monitoring surveys and avert reporting fatigue. It also calls for greater selectivity, avoiding information that is unlikely to be used and that creates unnecessary expense. It also means making greater use of tools which can help at the decentralized and community levels, such as geocoding and mobile telephony.

108. Finally, there has been a proliferation of mechanisms for promoting mutual accountability and transparency at the global, regional, sectoral and national levels. This is positive insofar as it can promote mutual learning of best practices. However, it is essential to harmonize and simplify the mechanisms and to avoid conflict or duplication. The Development Cooperation Forum should continue to conduct assessments of the status of mutual accountability and transparency mechanisms, led by programme countries and in close cooperation with non-executive stakeholders. This would require improving methodology for assessing their inclusiveness, and including assessments of development strategies and results frameworks.

VIII. Harnessing the benefits of South-South and triangular cooperation

A. Overall trends and characteristics

Global political dialogue on South-South cooperation has increased since 2008

109. The global dialogue on South-South cooperation has continued to evolve. Echoing the Nairobi outcome document, the 2010 Millennium Development Goal Summit and the Fourth United Nations Conference on the Least Developed Countries stressed that South-South cooperation is a complement to, rather than a substitute for, North-South cooperation (see General Assembly resolution 65/1). The Fourth United Nations Conference on the Least Developed Countries also highlighted the important role of South-South cooperation and the need to assess its

impact in order to "improve its quality in a results oriented manner".[6] The Busan outcome document also laid out concrete steps to strengthen knowledge sharing and mutual learning from South-South cooperation.

110. In parallel to this global dialogue, the desire of Southern partners to harness the potential of their cooperation has led to the creation and formalization of several platforms. Structures such as the Africa-South America Summit, the Forum on China-Africa Cooperation and the India-Africa Forum Summit are emerging as key platforms for discussions on development cooperation. Most recently, the BRICS (Brazil, Russia, India, Indonesia, China and South Africa) Summit decided to explore the possibility of the creation of a BRICS Development Bank.

South-South cooperation is set to continue growing

111. South-South development cooperation is estimated from public (such as budget) documents to have been between $12.9 billion and $14.8 billion in 2010, though data gaps make this an underestimate. This represents a fall of around 20 per cent compared to 2008, when there was exceptionally high financing for Arab humanitarian assistance and Venezuelan concessional oil. However, it is still 50 per cent higher than in 2006. Looking ahead, South-South cooperation is expected to increase again, with major increases planned by China, India and Venezuela.

South-South cooperation varies widely in terms of modalities and country focus

112. South-South cooperation takes many different forms. Technical assistance, capacity-building, knowledge-sharing and training initiatives are important components, especially for smaller providers. However, project support predominates in volume terms, especially for infrastructure development (but also for agriculture and food security, health and education). There is little budget support, except for a few key relationships with strategic allies and neighbouring countries.

113. South-South cooperation differs widely in terms of its geographical focus. Many providers, such as the Arab countries and Brazil, tend to cooperate most with partners that share cultural, religious and linguistic ties. Other providers tend to prioritize neighbouring countries and important trade partners. A few (notably China and India, and South-South multilateral organizations) have a more global reach.

114. On concessionality, a wide range of smaller South-South providers supply only grants. Some of the larger bilateral and multilateral providers rely mainly on concessional loans, which in general meet concessionality criteria set in national development programmes and therefore do not risk causing new debt problems. Most South-South cooperation is tied to goods, services or personnel from the supplying country; however, assistance provided by Arab countries is largely untied.

Southern providers have expressed the wish to better assess their own results

115. Given its absence of policy conditionalities and its focus on infrastructure and the productive sector, South-South cooperation is often perceived by programme countries to be more responsive and tailored to their needs and priorities. This is

[6] Programme of Action for the Least Developed Countries for the Decade 2011-2020, adopted at the Fourth United Nations Conference on the Least Developed Countries.

because it reflects similar historical context and development stages, and strong social or cultural ties.

116. A background study for the Development Cooperation Forum on South-South infrastructure cooperation indicates that it is also assessed by programme countries as being cost-effective owing to lighter procedural requirements, lower transaction costs, faster delivery speeds and greater predictability. These features could be prominent in any framework that South-South providers may establish to review the results of their cooperation.

117. Despite recent efforts to better coordinate development cooperation, many Southern partners provide assistance through a variety of channels and institutions. Several are currently trying to establish stronger, more centralized, agencies. The Development Cooperation Forum can facilitate an exchange of experiences on the process of establishing and operating such agencies.

118. Capacity-building can support the establishment of frameworks for self-evaluation by Southern providers of the results and cost-effectiveness of their cooperation. Some Southern providers have indicated that they would like to see increased knowledge exchange on methodologies for internal evaluation and assessment.

B. Key sectors: infrastructure and agriculture

Southern providers provide major support to infrastructure and agriculture

119. In terms of sectoral focus, a predominant share of development cooperation provided by China and the Arab countries is to support infrastructure development. For Brazil and India, technical cooperation in the social sectors and agriculture accounts for a large share of the total.

120. The report of the Secretary-General to the Development Cooperation Forum (E/2010/93) in 2010 examined in detail South-South cooperation on health. Analysis during this cycle has focused on South-South cooperation for infrastructure and agriculture.

Southern providers are preferred for infrastructure but need to support water sector more

121. Investments of Southern providers in infrastructure help programme countries diversify their economies. They provide reliable energy sources, transport routes and information and communications technology at lower costs. Between 2001 and 2008, Southern providers accounted for 47 per cent of official infrastructure financing for sub-Saharan Africa. Projects were mostly delivered in a timely, predictable and cost-effective manner.

122. That factor, together with the relative scarcity of DAC ODA for infrastructure, made Southern providers a priority source for programme countries. However, some sectors, such as water, have been relatively neglected by both DAC and Southern providers, slowing progress to the achievement of the Millennium Development Goals.

Well-designed South-South cooperation in agriculture can boost smallholder production and food security

123. South-South agricultural partnerships are mainly in technical cooperation and technology transfer. Triangular cooperation is also widely used, and United Nations agencies often play a facilitating role. Over 40 such agreements were signed by 2010.

124. Well-designed South-South cooperation can boost national agricultural productivity and food self-sufficiency, mitigate the impacts of natural disasters and fight climate change. It can also promote efficient smallholder production and food security for the poor. Close attention should be paid to land acquisition and rights to ensure that the poor retain access to, and control over the land on which they depend. Additional studies are needed to identify more clearly best practices in South-South cooperation to promote agriculture and food security.

Triangular cooperation has major advantages for programme countries

125. Programme country demand for triangular cooperation is on the rise. The priorities of triangular cooperation are capacity development, knowledge- and information-sharing. Triangular cooperation maximizes the comparative strengths of Northern funding and Southern expertise, and is therefore more likely to fulfil programme countries' needs and priorities. The credibility and potential for the scaling up of cooperation extended by pivotal countries is perceived to be one of the most important benefits. Triangular cooperation faces important challenges of high transaction costs and tensions over policy coordination, but its benefits far outweigh its potential drawbacks (see A/66/229).

IX. Key messages and recommendations

126. Eight sets of key messages have emerged from preparatory consultations for the Development Cooperation Forum:

127. **One — it is high time to address unmet Millennium Development Goal 8 commitments**, including:

(a) Stepping up efforts to reach the ODA-to-GNI target of 0.7 per cent by 2015;

(b) Developing stronger debt relief mechanisms which are independent of creditors and taking stronger measures to keep debt burdens sustainable;

(c) Exempting all least developed countries from duties, quotas and non-tariff barriers, especially for exports of finished products and processed agricultural goods;

(d) Delivering in full on enhanced access to affordable medicines and new technologies.

128. **Two — domestic financing could be more effectively catalyzed for development**, by:

(a) Broadening the access of the poorest households to affordable and inclusive financial services for savings, insurance and investment in scaleable enterprises;

(b) Ensuring microfinance is well regulated to reduce costs and focus on poverty reduction and sustainable livelihoods, as well as targeting productive investment;

(c) Increasing capacity-building support for domestic revenue mobilization, especially through South-South best practice exchanges and training;

(d) Deepening cross-border collaboration on mandatory tax information exchanges, and changing OECD tax rules to increase payments in programme countries;

(e) Ensuring that tax systems promote sustainable development by discouraging excessive resource use.

129. **Three — we must seize the opportunity to promote sustainable development**, by:

(a) Mobilizing additional global funding, notably via innovative financing mechanisms;

(b) Learning lessons from the best development cooperation which simultaneously targets all three pillars of sustainable development, protects allocations based on need, and promotes innovative technology;

(c) Pre-screening all development cooperation to ensure it has a positive impact on equity, human development and environmental sustainability;

(d) Ensuring that programme countries enhance their capacity to design sustainable development strategies, and lead decisions on allocation and management of funding;

(e) Broadening global and national mutual accountability processes and indicators to cover equity and sustainability issues more fully.

130. **Four — allocation of development cooperation must be further improved**, by:

(a) DAC donors providing higher shares of core aid which reaches programme countries;

(b) Channelling more unearmarked cooperation to multilateral organizations;

(c) Allocating a higher share of cooperation on the basis of need to the poorest, most vulnerable and underassisted countries;

(d) Aligning modalities with programme country preferences, by increasing budget support and reducing technical assistance;

(e) Prioritizing investment in sustainable infrastructure and productive capacity, to support diversification beyond primary commodity exports;

(f) Focusing more on basic education, health systems, water and sanitation, and building strong social protection systems;

(g) Increasing targeting of cooperation to gender equality and women's empowerment.

131. **Five — the quality and results of development cooperation must be increased**, by:

(a) Enhancing predictability through providing rolling three- to five-year disbursement forecasts, reducing policy and procedural conditions, and increasing use of country systems;

(b) Reducing provider proliferation and fragmentation through programme country-led division of labour processes which do not reduce flows in key sectors;

(c) Increasing efforts to untie development cooperation by all providers;

(d) Increasing grants and concessional loans for countries with high risks of unsustainable debt, to avoid renewed debt problems.

132. **Six — progress in accountability and transparency needs broader engagement**, by:

(a) Pursuing efforts for voluntary self-reporting on data and best practices by civil society organizations, foundations and decentralized providers;

(b) Supporting more programme countries to design aid policies, set performance targets for individual providers, and organize high-level annual dialogues to review progress;

(c) Ensuring full participation of non-executive stakeholders in national mutual accountability and transparency initiatives;

(d) Providing capacity-building support to programme country governments and non-executive stakeholders to enhance country-level mutual accountability and transparency;

(e) Developing programme country-led systems to evaluate and assess the quality and impact of cooperation from providers;

(f) Better aligning the International Aid Transparency Initiative with national budget and aid information systems to ensure that quality indicators are tracked and the need for surveys is reduced.

133. **Seven — maximizing the benefits of South-South and triangular cooperation needs**:

(a) Continuing to support global voluntary processes among South-South providers to share and discuss best practices in their development cooperation, including on such issues as high value for money, speed of delivery, and greater predictability;

(b) Focusing even more infrastructure cooperation on sustainable and low-cost energy, and transport and communications systems, and focusing agricultural cooperation on boosting national food security and smallholder production;

(c) Continuing to scale up triangular cooperation especially for capacity development.

134. **Eight — the Development Cooperation Forum has a key role to play in assisting progress**, by:

(a) Continuing to review and report on progress in meeting the Millennium Development Goal 8 commitments and assisting in defining clearer commitments on development cooperation for any post-2015 framework;

(b) Broadening its analysis and debate on the catalytic role of development cooperation, especially to identify best practices relating to foreign private flows and remittances;

(c) Deepening its assessment of lessons learned on best practices in development cooperation for sustainable development, including promoting innovative technology;

(d) Continuing to monitor allocations by country, modality and sector, as well as the degree to which development cooperation is targeting sustainable development and gender equality and empowerment;

(e) Continuing to promote discussion among multiple stakeholders on assessing the quality of development cooperation, while taking account of their needs, priorities and the specific characteristics of different types of cooperation;

(f) Broadening its monitoring of progress at the national and global levels on mutual accountability and transparency, to cover inclusion of all stakeholders and quality of results frameworks in more detail;

(g) Continuing to conduct studies of best practices in various sectors and types of South-South cooperation;

(h) Continuing to provide a platform for philanthropists to share information and analyse best practices in maximizing development results and aligning funds with needs;

(i) Deepening analysis, in cooperation with decentralized providers and programme countries, of best practices in providing decentralized cooperation;

(j) Increasing its exchange of information among countries on best practices in development cooperation.